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Southeast Asia Report



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5 February 1985

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INDONESIA

BANK INDONESIA HEAD ON FOREIGN DEBTS, RESERVES, CREDIT

Jakarta KOMPAS in Indonesian 23 Nov 84 pp 1, 12

[Text] Indonesia need not be concerned that it will encounter problems in making payments on its foreign debts because the government continues to be very careful about the matter of foreign loans, particularly with the debt service ratio (ratio of amount paid on foreign debts to the value of exports) approaching 21 percent.

The foreign exchange reserves in Bank Indonesia reached \$5,734 million at the end of October 1984 and will reach \$5,745 million when the fiscal year ends at the end of March 1985. This is because there will be a surplus of \$601 million in the balance of payments at the end of fiscal 1984/85.

Dr Arifin M. Siregar, the governor of Bank Indonesia, made these statements during a work session with Parliamentary Commission VII in the Parliament building on Thursday [22 November]. The work session was chaired by H.A. Malik of the PPP (United Development Party) fraction.

Regarding the matter of foreign debts, Arifin said that until 1975 practically all of the foreign loans received by Indonesia were made under easy terms. However, after 1975, and as Indonesia's economic position improved, a number of loan donors asked the Indonesian government to gradually move toward the use of more expensive forms of credit.

"This has caused the government to become increasingly cautious. Each foreign loan received by a government agency must be approved by the minister of finance, and the use of export credit must now be approved by the coordinating minister for economics, finance and industry," he said.

Presidential Instruction No 8 of 1984 states that export credit is one of the sources used for the financing of development projects and that its use must be carefully controlled to ensure that at some later date the burden of payments does not exceed the financial capabilities of the state. The use of export credit also must be approved by the coordinating minister for economics, finance and industry and the supervision of development.

21 Percent

Arifin also touched on the debt service ratio, saying that it is one of the criteria used in evaluating the ability to pay foreign debts. The debt service ratio reached 20 percent 2 years ago and moved above 20 percent 1½ years ago.

"Now it has almost reached 21 percent," he told a KOMPAS reporter after the work session. Indonesia must be even more careful with the debt service ratio at this level, and this is the position being taken by the government at this time, he said.

It is clear that foreign loans are needed to accelerate the rate of economic growth, but thought also must be given to the repayment of these loans. Consequently, figuring out how to accelerate the rate of economic growth with foreign borrowings while retaining our ability to repay the loans has now become an art, he said.

According to the "World Debt Tables" issued by the World Bank, as of the end of 1982 disbursements to Indonesia had reached \$18,421 million and total approved borrowings stood at \$30,740 million.

On the basis of these figures the World Bank estimated that the payments and interest on Indonesia's debts reached \$2,308 million in 1982. This figure was projected to increase to \$2,737 million in 1983, to \$3,180 million in 1984, and to \$3,487 million in the coming year. These calculations are based on the assumption that there is no further increase in the foreign debt.

The IGGI (a group of nations that provide loans to Indonesia) approved loans totalling \$2,462 million in 1984/85, which amount is less than our foreign debt repayment obligations. The repayment of foreign debts would be even more difficult without the IGGI aid.

Foreign Exchange Reserves

Bank Indonesia's foreign exchange reserves reached \$5,733 million at the end of September 1984 and rose to \$5,734 million the following month. Foreign exchange reserves in handling banks continue to stand at about \$4 billion.

"Official foreign exchange reserves (in Bank Indonesia) will reach \$5,745 million at the end of fiscal 1984/85," Arifin said. This is because the surplus in the balance of payments will reach \$601 million during the same period.

These foreign exchange reserves consist of foreign currencies (including U.S. dollars, German marks, Japanese yen and Dutch guilders) and also securities that are usually purchased from official organizations, such as the World Bank, or from governments that are judged to have good credibility by Bank Indonesia. These reserves are further increased by gold reserves and DSR SDRs?].

Arifin said that in 1982/83 the balance of payments was seriously affected by the deterioration in the world oil market--which was reflected in OPEC's decision to restrict oil production in March 1982--by the international economic recession, and by a spreading climate of protectionism.

However, the situation improved significantly in 1983/84. The balance of trade reached \$3,512 million, the deficit in current transactions stood at \$4,151 million, and the balance of payments finally showed a surplus of \$2,070 million. This caused foreign exchange reserves to increase to \$5,154 million at the end of March 1984.

These improvements were the result not only of an increase in nonoil exports, but also of a decrease in nonoil imports. And this change in the export-import pattern was caused primarily by various adjustments made in government policy in 1983, such as the devaluation of the rupiah in March and the rescheduling of government projects in May.

"The impact of certain government policies produced a favorable change in the balance of payments. The balance of payments showed a surplus of \$589 million in the first semester of 1984/85 and a surplus of \$12 million in the second semester, thus reaching \$601 million at the end of the fiscal year," Arifin said.

U.S. Dollar

Arifin was not prepared to make a definite statement on the change in the value of the U.S. dollar against the rupiah. He did say that the policy followed in setting the rate of exchange was part of overall economic policy and many factors had to be considered.

The process is not only connected with a basket of foreign currencies, as mentioned earlier, but is based on other considerations and is aimed at establishing a realistic rate of exchange.

"A realistic rate of exchange is a rate that, first of all, can maintain the competitiveness of our exports in international markets and reduce the incentive to import and increase the domestic production of goods," he said.

So it is hoped that a realistic rate of exchange can improve the balance of payments, increase local economic activity and maintain the stability of the monetary system, he added.

Change in Credit Picture

Arifin also said that the number of loans being made is continuing to increase, even though the policy of 1 June 1983 permits government banks to set their own interest rates and this has caused interest rates on loans to go up.

"This can be interpreted as meaning that there is still a great deal of economic activity. Businessmen would not be asking for large amounts of credit if there were not," he said.

He added that interest rates are only one of many components that affect the cost of producing goods and providing services.

Loans issued by banks other than Bank Indonesia during the first 8 months of 1984 increased 2,459 billion rupiah or 20.6 percent as compared to an increase of 1,447 billion rupiah or 15 percent during the same period last year. Investment credit issued during this period was up 577 billion rupiah or 20.2 percent as compared to an increase of 495 billion rupiah or 23.6 percent for the same period in the preceding year.

For some time Bank Indonesia has been taking certain measures to control increases in interest rates. These measures include reducing interest rates on Bank Indonesia certificates and discount facilities, deferring the repayment of and reducing the interest rate on short-term liquidity credit that has been advanced to regional development banks and privately-owned national commercial banks, extending the term of interbank monetary transactions, and acquiring financial resources that can be used to reduce the cost of bank funds.

"In addition, the Central Bank has been urging the banks, government banks in particular, to try to become more efficient so they can reduce their operating costs. This can reduce their overall costs and contribute to a reduction of the interest rates on credit," Arifin said.

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CS0: 4213/103

INDONESIA

COMMODITY SALES CONTRACT SIGNED IN CANTON

Jakarta SINAR HARAPAN in Indonesian 3 Dec 84 p 1

[Text] Indonesia and the People's Republic of China turned a new page in the history of the trade relations between the two countries on Saturday, 24 November, when an Indonesian businessman signed a commodity sales contract with the PRC in Canton, on the Chinese mainland, rather than in a third country. The contract covers the sale of a single type of Indonesian nonoil commodity to the PRC and is valued at \$700,000 (about 7 million rupiah).

Robert Choi, the manager of the Indonesia Commodities Centre, Ltd (ICC) and the person who signed the contract, told SINAR HARAPAN by telephone on Monday morning that his organization had signed a similar contract last September, however, that contract was signed in Hong Kong. He said that last month he had been invited to come to Canton to renew the contract by his partner in the PRC Ministry of Foreign Economic Relations and Trade.

Choi, who resides in Hong Kong, said that the signing of the contract does not mean that the two countries are engaging in direct trade. The commodity will continue to be shipped from Indonesia through the port of Hong Kong and cannot yet be shipped directly to a PRC port. "But perhaps in the near future trade can be carried out directly and will no longer go through Hong Kong," he said.

On Monday morning a SINAR HARAPAN source in the Department of Trade in Jakarta said that the signing of the contract in Canton did not require the prior approval of the Indonesian government "because this is not a government to government matter." He added that, "We ourselves have no knowledge of the signing of this contract, but it is permissible under existing regulations."

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INDONESIA

RESOLUTIONS OF ANSOR CONFERENCE

Jakarta SINAR HARAPAN in Indonesian 3 Dec 84 pp 1, 12

[Text] The Ansor Youth Movement (Gerakan Pemuda Ansor) has affirmed that as an organization and a movement it will maintain an equidistant position from the three sociopolitical forces as a consequence of its acceptance of the Pancasila as the sole foundation of the organization.

This is one of 10 points contained in Resolution No I of the 8th Main Conference of the Ansor Youth Movement. Drs Tosari Wijaya, the organization's secretary general, read the resolutions to the conference on Saturday night.

The resolution also states that the Ansor Youth Movement will continue in its position as an autonomous organization under the banners of the NU [Nahdlatul Ulama/Moslem Scholars Association] community, that in matters of faith it will accept and observe the teachings of the wise and learned ulamas of the NU, and that it is prepared to carry out all decisions reached at the 27th NU Conference.

And in the same context it expresses the hope that the ulamas and key leaders of the NU will draw up a code for the NU community that can be used as a criterion, guide and reference in actualizing the NU as a true socioreligious organization.

Regarding membership, the resolution states that members of the Ansor Youth Movement are not permitted to hold membership in any other youth organization.

The first part of the resolution affirms that the Ansor Youth Movement has accepted the Pancasila as the sole foundation of the organization and calls on the 9th Congress of the Ansor Youth Movement to incorporate this decision in the organization's constitution. This affirmation means that the Ansor Youth Movement will avoid the tendency to think and act in a primordial manner, a tendency which leads to compartmentalization along ethnic, racial and religious lines.

Resolution No II of the 8th Main Conference states that the 9th Congress of Ansor Youth Movement will be held in 1985 at a location outside Java as soon

as the law on social organizations is promulgated. Resolution No III states that since Chalid Mawardi, the general chairman of the organization, has been appointed ambassador to Syria and Lebanon, then the rights and responsibilities that attach to the position of general chairman are to pass to the first chairman until the 9th Congress of the Ansor Youth Movement convenes.

In a written message read to the conference by Sukarton, SH, the assistant minister and state secretary, Minister and State Secretary Sudharmono, SH expressed the hope that the Ansor Youth Movement would not exclude others from its struggle activities.

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CSO: 4213/103

INDONESIA

SLOWDOWN IN NATIONAL ECONOMY

Jakarta SINAR HARAPAN in Indonesian 4 Dec 84 p 12

[Text] Dr Moh. Sadli, the secretary general of the Indonesian Chamber of Commerce and Industry (Kadin), says that the current slowdown in the national economy is characterized by, among other things, high interest rates in local markets and a decline in the productivity of national companies. He says that many national companies have cut back production.

Dr. Sadli made these observations in the introduction to a report delivered before a plenary meeting of the Kadin executive committee at the Hotel Sahid Jaya in Jakarta on Monday morning [3 December]. The meeting was opened by Sukamdani S. Gitosardjono, the general chairman of Kadin.

According to Sadli, there is a connection between the international economy and the current slowdown in the national economy, with the international economy still showing no signs of a stable recovery. "This situation has a significant negative impact on the Indonesian economy and business community," he said.

The sluggish condition of the economy demands that efforts be made to continue to increase economic growth through investments, and in this regard it is hoped that the role played by the private business sector will continue to expand. Economic growth continues to require that a conscientious effort be made to provide an equitable distribution of the benefits of development, that is, an equitable distribution of business opportunities and job opportunities, he said.

The sluggish economy, declining production, high interest rates, and the need to increase exports and to provide an equitable distribution of the benefits of development constitute a national economic challenge and demand Kadin's participation in efforts to find a solution to these problems. However, he said, it may not be easy to define the role Kadin should play in finding an overall solution to this challenge.

He said that it also is impossible to quantify Kadin's participation in this process. Therefore, the best way to think of Kadin's participation is in terms of its ability to serve as a medium of communication between the government and the business community.

Dr Sadli said that the promotion of this concept must not rely too heavily on slogans because Kadin's ability to serve as a medium of communication requires the existence of various resources, the delegation of authority and legal standing.

INDONESIA

PERTAMINA DIRECTOR DENIES BBC REPORT

Jakarta KOMPAS in Indonesian 6 Dec 84 pp 1, 12

[Text] Pertamina director Rachman Ramly has denied a report that Pertamina, along with Iran and the PRC, has signed a 1-year contract for the refining of oil in Singapore. Ramly made the denial during a meeting with Parliamentary Commission VI on Tuesday [4 December]. The meeting was called by the commission to hear the views of Pertamina and was chaired by Engr Sunaryo Hadade, the head of the commission.

The BBC report that Indonesia, the PRC and Iran had contracted to refine oil in Singapore was brought up by Tajudin, a member of the commission from the Golkar faction. Tajudin said that the BBC in London had recently broadcast a report that Singapore oil refiners were surprised that Indonesia, Iran and the PRC had signed contracts to refine oil in Singapore.

Tajudin said that according to the BBC report, the contracts state that Indonesia will refine 100,000 barrels of oil per day, the PRC 80,000 barrels per day, and Iran 50,000 barrels per day.

In response Ramly said, "If you are asking if Pertamina is planning to refine oil in Singapore as it did in the past, and at a time when it has three refineries, then this is not true."

"If the reference to Indonesia in the report means Pertamina, then this is not true. Pertamina only does this at certain times, or on an incidental basis. Pertamina is not signing a new contract for refining, particularly for a 1-year period," he said.

The legislators asked many questions about the foreign refining of oil by Pertamina, and Ramly said several times that: "This is done only if there is an emergency at the local refineries or on a temporary basis. It is not done for a long-term period."

The oil refineries at Dumai, Balikpapan and Cilacap are in operation, but last week Minister of Mining and Energy Subroto said that there was a possibility that Indonesia would refine oil at Bukom Island in Singapore.

Data provided by Ramly at the meeting show that the capacity of local refineries reached 550,000 barrels a day in the 1983/84 year. Indonesia's three oil refineries can refine 76,000 [sic] barrels a day when operating at maximum capacity. Between 25,000 and 30,000 barrels per day of Indonesian oil are being refined abroad at the present time.

Shift to the PRC

When a legislator asked if there were any indications that Japanese businessmen will shift away from the Indonesian oil market to the PRC, Ramly said that the concern that this could happen must be considered. The observation that the PRC has recently increased its oil export capability cannot be denied "because it is quite evident that there is PRC oil on the market," he said.

Ramly also said it would be natural for Japanese businessmen to purchase oil from the PRC at some time, since the PRC is not a member of OPEC and can set any price it wants. However, he said that he is convinced that Japan is a good partner of Indonesia and noted that Prime Minister Nakasone has issued a policy statement to the effect that 15 percent of Japan's oil requirements will be purchased on the Indonesian market.

Ramly also noted that not too long ago Japan refused an offer of liquefied natural gas from the Soviet Union, saying that communist nations have a hard time keeping their promises.

Ramly asked all concerned to use every opportunity to promote Indonesian oil abroad, saying that this was not just the task of Pertamina. "Keeping Japan as a consumer of Indonesian oil and from turning to the PRC is a task that must be carried out," he said.

Ramly also said that there is a potential market for Indonesian oil in Taiwan. When asked which country would handle the oil shipments from Indonesia to Taiwan, he replied that the important thing was for Indonesia to find markets for its oil and to sell oil. "It would be nice if Indonesia handled the shipping, and this is what the government will recommend. But if Taiwan says it will handle the shipping itself, does this mean we will cancel the sale?" he asked.

Ramly also said that Pertamina is conducting a study of its foreign missions. They are now being reorganized and will concentrate on marketing "because in the past the job descriptions for Pertamina's foreign missions have not been specific," he said.

When a legislator asked about foreign workers that are employed by companies that have connections with Pertamina, Ramly said that several foreign workers were detained during Operation Mawas (an operation carried out by the Department of Manpower to regulate the use of foreign workers) because they did not have permits to work in Indonesia.

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CSO: 4213/103

INDONESIA

GOVERNMENT URGED TO HELP PRIVATE NEWS AGENCIES

Jakarta PELITA in Indonesian 6 Dec 84 pp 1, 4

[Text] Parliamentary Commission I has appealed to the government to assist the development of nongovernment news agencies and not just tolerate the existence of a complicated system of news agencies in Indonesia. The appeal was made during a meeting of the commission on Tuesday [4 December].

The commission also called on the government to issue regulations dealing with news agencies, pursuant to the provisions of the basic law on the press.

Rusli Desa, the first deputy chairman of the commission, made the appeal after hearing the views of officials of the INDONESIAN NATIONAL NEWS AGENCY (KNI, KANTORBERITA NASIONAL INDONESIA) and the ARMED FORCES REPORTS (PAB, PEMBERITAAN ANGKATAN BERSENJATA). The meeting, which lasted about 4 hours, was held in the commission's conference room and was chaired by Rusli Desa.

Briefing by KNI Leader

Soemono Mustoffa, the KNI general manager and managing editor, presented a detailed explanation of the motivation for and historical background to the formation of the KNI in 1966, the growth and present situation of the news agency, and its position and role in the Indonesian National Press and Information System.

Soemono said that the idea of establishing the KNI in a position apart from the other news agencies of that time had its foundation in the determination of reporters in the BPS [Badan Pendukung Sukarnoisme/Committee for the Support of Sukarnoism], leaders of the press and leaders of the armed forces to oppose the communists. Communists dominated the national press prior to the 30 September Movement and until the Indonesian Communist Party was destroyed by the forces of the New Order.

Describing the present condition of the KNI, Soemono said that even though the news agency has been able to survive for 18 years, has joined in promoting the state and the nation and has achieved no small amount of success,

at the present time all of its existing resources, that is, the creative abilities and physical strength of its reporters and workers, have reached their maximum limit. "The KNI has been built up with no working capital whatever, other than its people and idealism," he said.

Even Worse

Benny Tawaang, the PAB assistant manager, in presenting his briefing said that if the condition of the KNI does not permit it to perform its function as a nongovernment news agency in strengthening the National Press and Information System, then the condition of the PAB is even worse.

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CSO: 4213/103

INDONESIA

NAHDLATUL ULAMA CHIEF DENIES AUTOMATIC PPP TIES

BK181423 Jakarta KOMPAS in Indonesian 12 Jan 85 pp 1, 12

[Excerpt] Nahdlatul Ulama members are not automatically members of the United Development Party [PPP]. The chairman of the Nahdlatul Ulama Executive Council, H. Abdul Rakhman Wahid, made this statement at 0130 West Indonesian Time on Friday following a joint meeting between the Executive Council and the Advisory Council--led by K.H. Yusuf Hasyim--at the Tebuireng Islamic Boarding School in Jombang, East Java.

The statement was made in reply to a statement by PPP General Chairman Dr J Naro in Pontianak that the signatories of the declaration on the establishment of the PPP remain legally linked with the PPP and that the PPP has never officially received any letter from the Nahdlatul Ulama Executive Council on its withdrawal from or severance of ties with the PPP.

The first joint meeting of the Nahdlatul Ulama following its 27th congress in Situbondo decided to prohibit members of the Nahdlatul Ulama Executive Council at all levels from having executive posts in any political organization. The prohibition order, which is meant to create efficiency and effectiveness in the tasks of the organization, must be implemented within a year at the regional level and within 2 years in all branches. "I think there will be enough time to prepare any necessary replacements," Chairman Abdul Rakhman Wahid said.

The meeting also instructed regional councils and branches to prohibit Nahdlatul Ulama clergymen from touching on the Nahdlatul Ulama's relations with political organizations in their preaching.

CSO: 4213/120

INDONESIA

MOKHTAR ON PLANS FOR BANDUNG ANNIVERSARY MEETING

BK191228 Jakarta Domestic Service in Indonesian 1200 GMT 19 Jan 85

[Text] Foreign Minister Mokhtar Kusumaatmaja says that India and Indonesia feel concerned over the tense world situation where conflicts and differences of opinion prevail. Minister Mokhtar said this in his speech at a dinner reception held in his honor in New Delhi last night. For this reason, Indonesia and India have called for emergency actions to achieve international peace and stability. According to the Indonesian foreign minister, the world is currently facing political and economic crises, especially in the developing countries. Therefore, during the upcoming meeting to mark the 30th anniversary of the Afro-Asian Conference in April, it is expected that a resolution will be produced for the world to solve these problems.

In this connection, Minister Mokhtar said in New Delhi yesterday that Indonesia plans to invite the anti-Vietnam CGDK leader, Prince Sihanouk, to attend the celebration in Bandung in April. Minister Mokhtar made these remarks to newsmen in the Indian capital following his 3-day visit to New Delhi. He said other participants of the 1955 Bandung Conference who are still alive are Pham Van Dong from Vietnam, former Burmese Prime Minister U Nu, and former Philippine Foreign Minister Carlos Romulo. According to Mokhtar, the PRC, which was a promoter of the Bandung Conference, and India, which is now the leader of the Nonaligned Movement, will also be invited for the celebration.

CSO: 4213/120

INDONESIA

MORE PAPERS DEPLORE BOROBUDUR BOMBING INCIDENT

BK230927 Jakarta Domestic Service in Indonesian 0600 GMT 23 Jan 85

[From the Press Review]

[Text] SUARA KARYA criticizes the perpetrators of the Borobudur temple bomb blast because they (?attacked) Indonesian national pride, which constitutes one of the pillars supporting our unity as a nation. The daily also expresses surprise that there are still Indonesian nationals who have the heart to humiliate the country's monument. Meanwhile, BERITA YUDHA stresses the need to inculcate a sense of pride and love for all heritages given by our Indonesian national ancestors. Such a sense of pride for the high cultural level and ability of the nation in the past will arouse a desire to take part in safeguarding historical monuments. According to BERITA YUDHA, schoolchildren should be inculcated with an awareness of our ancestors' ability and should not be taught history just in a factual way because the main purpose of teaching history is to promote nationalism and patriotism.

KOMPAS says that in times of war, it is always agreed that monuments like Borobudur will not be attacked by the warring parties. But the irony here is that even in times of peace some people have tried to destroy the temple, which is both a national and global monument. KOMPAS describes the act as terrorism because the object of destruction is not a human being, but a thing.

PELITA says that viewed from any angle, the terrorist act against Borobudur Temple is unacceptable and despicable. The temple is one of the eight wonders of the world. We ought to feel proud over the ownership of a cultural heritage, the reputation of which spreads far beyond our national boundary.

POS KOTA highlights the Borobudur disaster from another angle, that is to say, from the viewpoints of vigilance, security, and order, which must continuously be maintained because such a destructive act will affect our security. If we are careless in maintaining security and order, our national reputation in the world will be damaged. According to POS KOTA, the temple belongs to the world because its recent restoration was assisted by international organizations, including UNESCO.

MERDEKA believes that the historical value of Borobudur is immeasurable. There is no other Borobudur in the world and there is nobody who can ever again build such a magnificent temple as far as the question of given the constraints of architecture and modern economics. Borobudur is history itself and to destroy such a monument is tantamount to destroying history itself.

CS0: 4213/123

INDONESIA

MINISTER ON BOROBUDUR RESTORATION, OTHER TOPICS

BK231045 Jakarta Domestic Service in Indonesian 0600 GMT 23 Jan 85

[Excerpt] Minister of Tourism, Posts, and Telecommunications Akhmad Tahir today reported to President Suharto at Bina Graha building on a plan to restore the damaged stupas of the Borobudur Temple so that both domestic and foreign tourists can appreciate the world monument without interruption.

Minister Tahir also reported on the outcome of a meeting of the international committee for promoting telecommunications in the Pacific region, held in Hawaii, which, among other things, proposed the establishment of a center for promoting telecommunications.

On his way home, the minister stopped over in the Philippines and held talks with his Philippine counterpart on the lease arrears of a Philippine private company that uses the transponders of the Indonesia Palapa satellite. According to Minister Tahir, if the lease contract expires at the end of this month before the Philippine company pays the lease fee of \$4.2 million, Indonesia will terminate the license to use the Palapa transponders and will not extend the lease contract. The Philippine Government acknowledged the minister's notice and promised to urge the said company to pay up the the arrears as soon as possible.

Minister Tahir also reported on the completion of a sea cable construction project between Belawan and Penang, the inauguration of which will be marked with a direct telephone call by President Suharto in Jakarta and Malaysian Prime Minister Mahathir Mohamed in Kuala Lumpur.

CSO: 4213/123

INDONESIA

BRIEFS

NEW CHARGE FOR MOROCCO--Foreign Minister Mokhtar Kusumaatmaja on 15 January installed and swore in Ambiar Tamala as Indonesian charge d'affairs in Rabat, Morocco. [Summary] [Jakarta MERDEKA in Indonesian 16 Jan 85 BK]

TOTAL FOREIGN DEBTS--The state minister for development planning and the chairman of the National Development Planning Board, Y.B. Sumarlin, told newsmen on 9 January that as of 30 June 1984, Indonesia had received foreign loans amounting to \$46,123 billion. Of this amount, a total of \$32,841 billion had been spent by the government. He added that the government had repaid \$9,640 billion. Thus, Indonesia's total foreign debts amounted to \$23.201 billion as of 30 June 1984. [All figures as published]. [Summary] [Jakarta MERDEKA in Indonesian 10 Jan 85 pp 1, 12 BK]

ILLEGAL IMMIGRANTS FROM PRC--West Java immigration authorities arrested 1,001 illegal immigrants, 90 percent of them PRC citizens, in 1984 according to Suhendro Hendarsin, chief of the West Java Provincial Office of the Justice Department. Suhendro said that the illegal immigrants comprise 66 men and 335 women. Of the total, 326 have not been processed, 650 have been processed, 15 are in jail, and 10 have been released. He added that the Justice Department has issued new passports with special features that cannot be forged to prevent the entry of illegal immigrants. [Summary] [Jakarta SINHAR HARAPAN in Indonesian 12 Jan 85 pp 1, 2 BK]

UNESCO CAMPAIGN TO RESTORE BOROBUDUR--UNESCO Director General Amadou Mahtar M'Bow has officially offered assistance to restore Borobudur temple. In his cable to President Suharto, Amadou Mahtar M'Bow also expressed deep concern for the bombing incident that destroyed nine stupas of the temple. In a communique issued yesterday, UNESCO announced that it will launch an international campaign to restore Borobudur. [Text] [Jakarta Domestic Service in Indonesian 0000 GMT 23 Jan 85 BK]

INDONESIA-PNG RELATIONS--The secretary general of the Foreign Affairs Department, Sudharmono, has said that trade between Indonesia and Papua New Guinea is currently hampered by the absence of direct transportation. However, relations between the two neighboring countries are always good. The secretary general of the Foreign Affairs Department made the remarks in his speech before Ujungpandang University lecturers and students in Ujungpandang. He

said that Indonesia is committed to continuing to maintain friendship and develop cooperation with PNG which is Indonesia's nearest neighbor because every country is required to maintain relations with other countries on the basis of mutual respect and noninterference in their respective internal affairs. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 20 Jan 85 BK]

FUNCTIONAL GROUP ON BOROBUDUR BLASTS--The adviser to the Functional Group Faction [of the house of representatives], Daryatmo, says that we should enhance our vigilance even if the blasts at the Borobudur Temple had not taken place. Questioned by newsmen in Jakarta today, the former chairman of the House of Representatives and the People's Consultative Assembly said that the commander of the Security and Order Restoration Command, General L.B. Murdani, had long reminded us to be careful and steadily enhance national vigilance. However, Daryatmo admitted that this is difficult to do as it encompasses all sectors of national life. He added that the blasts were indeed related to human characteristics. This being the case, there should be an enhancement of morality and religious life and good examples from leaders who are supposed to set a good example. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 23 Jan 85 BK]

COMMENTS ON TEMPLE BLASTS--[21 January briefing by Major General Sugiarto, 7th Diponegoro military region commander, on the Borobudur Temple blast--recorded]--"According to a report I received at 0500 this morning [2200 GMT 20 January] from security personnel, there have been several bomb blasts at the Borobudur Temple complex." "At 0130 [1830 GMT 20 January], the first explosion was heard, but temple security personnel could not find the source of the blast. The second blast followed soon thereafter, and there was smoke coming from the direction of the stupas on the upper levels of the temple. Explosions continued to occur until the last one--the ninth--came at about 0340 [2040 GMT]." Let me detail the number of stupas destroyed on the eighth, ninth, and tenth level of the temple. "Three stupas were destroyed on the eighth level, two on the ninth level, and four on the tenth level. Some remnants of (?exploded) bombs were found on the eighth and ninth levels. Soon afterwards, a bomb disposal unit from the Central Java Regional Police came and defused one bomb. Another bomb was discovered at about 0930 [0230 GMT] deep inside one of the stupas so that a special instrument had to be used to extract it." "We have searched the temple complex and found no more bombs." [Summary from poor reception] [Jakarta Domestic Service in Indonesian 1217 GMT 21 Jan 85 BK]

THIRD WORLD URGED TO SPEAK UP--Foreign Minister Mokhtar Kusumaatmaja has said Indonesia believes that Third World countries in Asia and Africa should assert their stand on world problems, particularly economic and political crises. Speaking in New Delhi, the capital of India, Mokhtar underscored the need to remove East-West tensions and the arms race which are greatly endangering the world. Minister Mokhtar was in New Delhi to convey a message from President Suharto to Indian leader Rajiv Gandhi. In addition, Foreign Minister Mokhtar also extended an invitation to the Indian leader in his capacity as chairman of the Nonaligned Movement to attend the anniversary celebrations of the Bandung Conference next April. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 21 Jan 85 BK]

PRC 'BUSINESS TIES ONLY' REJECTED--PELITA regards as reasonable the viewpoints of Rusli Desa--a member of Parliament from the Functional Group faction--that the future establishment of direct Sino-Indonesian trade relations should be implemented in an integrated manner to avoid any undesirable effects. PELITA disagrees with the view that direct Sino-Indonesian trade relations must be treated only as a business issue coming under business law because we must continue to exercise vigilance. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 17 Jan 85 BK]

BOROBUDUR TEMPLE BOMBING INCIDENT--ANGKATAN BERSENJATA considers the bombing incident at the Borobudur Temple to be an unnationalistic act. The daily says the incident, which occurred on Sunday night, was almost unbelievable. President Suharto was right to say that the perpetrator of the bombing has no national pride. The Borobudur Temple has not only retained the values of the Indonesian nation's civilization, but it has also constituted a heritage of mankind's civilization and cultural history. Hence, it is not surprising that the world demands its survival, just as it demands the survival of Abu Simbal in Egypt, the Taj Mahal in India, Alhambra in Spain, Islamic and Christian monuments in Jerusalem, or the Inca monument in Latin America. ANGKATAN BERSENJATA warns against the possibility of the Borobudur bomb blast being used as a tool to trigger interreligious strife and hopes it will instead be used to show the cruelty of terrorism--an ideology that justifies all means. The daily also hopes the incident will inspire us to continue fostering our unity. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 22 Jan 85 BK]

SUHARTO COMMENTS ON BOROBUDUR--Thai Education Minister Chuan Likphai expressed regret and concern over the bomb blast that destroyed some stupas at Borobudur temple during his courtesy call on President Suharto at Bina Graha building this morning. The president, who was accompanied by Education and Culture Minister Nugroho Notosusanto told the Thai guest that there was no major damage and restoration work will be carried out soon. President Suharto disclosed that the perpetrators of the bombing are people with no sense of national pride. The president also spoke on education problems and the establishment of an open university in Indonesia. The Thai education minister, who is also the chairman of Southeast Asian Ministers of Education Organization [SEAMEO] arrived in Jakarta yesterday for a week-long visit to Indonesia. Apart from Jakarta, the Thai guest will also visit Bogor, Bali and Yogyakarta, where he will see the Borobudur temple. [Text] [Jakarta Domestic Service in Indonesian 0600 GMT 23 Jan 85 BK]

CSO: 4213/123

LAOS

REAGAN REELECTION, CONDITIONS IN U.S. DISCUSSED

Vientiane PASASON in Lao 12 Dec 84 p 3

[Article: "Difficulties Under the Reagan Administration"]

[Text] When it was learned that Reagan had been reelected to the White House, various newspapers in all the different capitalist countries noisily spread the propaganda congratulating Reagan for his reelection. "It is because the domestic and foreign policies and the economic program in the past 4 years of the Reagan term have been correct. [They] are an example which the leaders of other Western countries should study or follow" etc.

It is certain that the capitalist war-mongers must propagandize in order to maintain their privileges. As for the workers the capitalists feel they are just a kind of mobile possession which follows orders and is under the command of the capitalists. Everyone knows which class Reagan belongs to. During the 4 years that he has been the leader of that great power, the United States, he has created a disturbing situation for American workers and for the people throughout the world which is the opposite of the propaganda of the capitalists. In the 4 years that Reagan has held power, the figures which cause anxiety have been increasing, for example: the budget deficit has reached 172 billion U.S. dollars, the number of unemployed has increased from 8 million in 1981 to 10 million in 1984 (if this figure were combined with the number who are not working full time, it would reach 20 million people), and the number of people in poverty has increased from 25 million in 1981 to 35 million this year. The number of homeless has been increasing steadily and now has reached 2 million; their beds are on the streets and under bridges, and their blankets are paper bags. Nevertheless, the leader in the White House boasts that the United States is a thriving society even though there are still 23 million illiterate people in the country, 4.5 million small children live in hunger, another 9 million live with the help of public assistance and another 1 million, some of whom are just seven, must hire themselves out to earn a living--they live from hand to mouth.

Faced with this difficult situation, the White House, instead of increasing the budget to improve the lives of the workers, would not think of it. The problem which is engrossing them is the budget for nuclear, chemical and biological warfare. And now [they] are making plans to put weapons in space so they can rule the world. The theory of the American imperialists is: "having powerful weapons means having great power." It seems that the money

to build a Titan submarine carrying nuclear missiles could be used to build housing for 2 million people who are now sleeping on the streets. But Reagan does not think that way.

In the history of America, the Reagan era has been a disaster. Domestically it has been a great era for segregation and terrorists, and a prosperous era for the military-industrial complex. In foreign affairs the Reagan era has been one of great tension; the Pershing II and cruise nuclear missiles were deployed in the western Europe countries with the explanation that this would make these countries accomplices with nuclear weapons. In addition the White House plundered the resources of developing countries, threatened military force against Nicaragua, supported international terrorists in Afghanistan and Kampuchea, supported the Israeli Zionists in seizing Lebanon, and supported the Apartheid group in South Africa.

The crimes and immoral acts of Reagan in the last 4 years are numerous so how could Reagan win reelection. This is easy to answer; in the United States the power of the dollar is greater than all else. In the last election Reagan spent 300 million dollars. The 4 years since Reagan took power have been good for those capitalists producing weapons, and this group is the richest in the United States. For this reason Reagan's control of the White House is another warning that the people and workers of the United States must increase their struggle more than ever to join with the progressive and fair-minded peoples throughout the world to resist the dangerous militarism of the imperialists in order to [achieve] peace and so that the various peoples of the world can live in peace.

8149

CSO: 4206/59

LAOS

COMMENTARY ON U.S. NAVAL VISIT TO PRC

Vientiane PASASON in Lao 1 Dec 84 p 4

[Commentary: "Day by Day Beijing Is Openly Following Washington's Reactionary Policies" A shorter version of this was published from Vientiane KPL in English and carried in the FBIS Asia and Pacific Daily Report 5 Dec 84 p 11]

[Text] Recently a destroyer of the U.S. navy's 7th fleet anchored at Shanghai Port as a first move according to the agreement to permit U.S. ships to anchor at different Chinese ports.

This new incident confirms that Washington-Beijing collusion has plunged the military situation into a new and dangerous level. It is an expansion of Beijing's foreign policies of completely following the American imperialists and the west, and it is not at all accidental because right after the end of Reagan's visit to China Washington announced that "From now on Washington and Beijing will stand side by side with each other."

The permission given for U.S. warships to anchor in different Chinese ports is an act by which Washington hopes to expand its territory at sea with naval forces. The truth is that Beijing is colluding with Washington in the reactionary strategy of the Reagan Administration, which is to open a second battlefield in the eastern Pacific Ocean to oppose socialist countries by means of military collusion and spying. Beijing has become an ally of the American imperialists whose purposes are to create tension in Asia, the Pacific, and the world, to oppose socialism and the world people's revolution, and to threaten the peace, security, and stability in Asia and the Pacific region.

In the past the Beijing ruling circles have not only accepted Washington's "two Chinas" policy and also allowed U.S. military officers to inspect right in Chinese military camps and bases, but now they even allow U.S. warships to be present in various Chinese seaports as well. This act is an insult to the true Chinese revolutionary combatants and it destroys the reputation of the Chinese people. Meanwhile, the advanced opinion of the world confirms that Beijing's foreign policies favor the American imperialists and that they are in firm collusion with each other in every way against socialist countries and against peace and security in the region and in the world.

The official permission given by Beijing to allow warships of the U.S. that is an enemy of world humanity and of the Chinese people themselves to be present in Chinese ports once again is a sign that the Chinese expansionists and hegemomists have colluded with the American imperialists, and that they are now carrying out schemes to harm this region of the world.

In order to maintain the peace, security, and stability of this region and throughout the world the advanced peoples should be more conscious and firmly united to stop the acts that will lead to loss of stability from such collusion between the Chinese expansionists and the American imperialists.

9884

CSO: 4206/63

LAOS

TEACHERS' POLITICAL, MASS ORGANIZATION ROLES DESCRIBED

Vientiane SUKSA MAI in Lao Sep 84 pp 7, 8

[Text] Fellow teachers, especially home room teachers! The 1984-1985 school year is now here. In order to exchange ideas to contribute to the task of improving schools, especially the task of home room teachers, we would like to present to our friends an article titled, "The Role and Important Responsibility of the Home Room Teacher."

The home room teacher has a role and important responsibilities in successfully achieving the goal of constructing the curriculum. His role and important responsibilities are expressed as follows:

1. The home room teacher is the carrier of knowledge as well the direct organizer and guide of students.
2. To students, the home room teacher is the class "spirit," the caring parent and direct teacher of children and the class guardian.
3. The home room teacher is the school representative for carrying out the educational policies of the party and state; in his class, he is responsible for coordinating with other teachers of different subjects to organize and guide every educational task for the students. He coordinates education in the school, in the family and in society.

Now, let us ask each other, "What do we have to do to make the task of the home room teacher successful? To do so, the home room teacher first of all must educate and improve these three relations, namely:

1. Relations between the home room teacher and special subject teachers for setting up the educational curriculum for students.
2. Relations between the home room teacher and mass organizations.
3. Relations between the home room teacher, students' families and society. We would like to bring some important tasks to your attention: After our fellow teachers receive the responsibility to be home room teachers, first of all, they must start to be acquainted with students, understand the class situation, know the situation of the class, [the students'] sexes, how many members of juvenile or youth organizations, or of the Lao Women's Association,

and how many are progressive? What are the conditions of each student's family, what is its profession? After understanding the class situation and based on the three relations mentioned, the home room teacher must lay out the plans and methodology for improving [the conditions of the class] each week and each month.

Every hour of class, the remarks of teachers on each subject and their organizational [sense] are the basis for evaluating the spirit of students and their qualifications each week. Teachers must refer to the strong and weak points of students to lay out the direction and methodology for improving them, particularly for those students who progress slowly.

Concerning mass organizations, the home room teacher should confer with them and lay out plans for guiding their classes appropriately.

Concerning students who progress slowly, in addition to collective warnings in the class, the home room teacher has to have plans to meet or visit and to be in close contact with their families to look for clues and methods to help solve problems so that these students progress like others.

For society in general, the home room teacher has to be in close contact with the community, the villages and various organizations that are nearby the school, to coordinate and be in close contact with the families of students, student parents associations, and educational funding associations.

The home room teacher must treat students equally and fairly, avoid prejudice, and be impartial to students who make mistakes.

The home room teacher must be a good model in every aspect of education and voluntary labor, in their profession and in implementing the policies of the party and the regulations and laws of the state. He must be a model of strength and sincerity in human relations in the tasks of solving and improving [students], particularly their way of living and politeness in talking.

The home room teacher must be keen in politics and in education, and have revolutionary ideology, be firm believer in socialism and have deep understanding in harmony with the revolution. Those are the primary standards that cannot be lacking in any home room teacher.

If we want that, home room teachers must educate and train themselves in politics and in the policies and practical studies of the party. They must raise their knowledge and their ability in pedagogy regularly. And they must know how to expand their creativity in their tasks, especially in the educational development and organization of student collective activities, the task of encouraging students to implement plans, class tasks, and the task of promoting the two competitive desiderata [good teacher and good student].

12597

CSO: 4206/50

LAOS

VIENTIANE PARTY CHIEF ON SECURITY, ECONOMIC ORGANIZATION

Vientiane PASASON in Lao 3 Dec 84 pp 2, 5

[Article: "Speech of Mr Khambou Sounisai, Party Central Committee Member and Chairman of the Vientiane Capital Administrative Committee, at a Rally Ceremony Celebrating the Ninth Anniversary of National Day on 2 December"]

[Excerpts] Mr Phoumi Vongvichit, committee member of the Party Central Committee Politburo and assistant chairman of the Council of Ministers, respected guests, and beloved people of Vientiane.

In the past 9 years, by carrying out the two strategic duties of defending the nation and constructing socialism, in the course of carrying out their new duty the people of Vientiane Capital and also the Lao people nationwide have confronted many problems, for example, the resolute struggle against the war of aggression of the enemies in many ways, and the fight between the two paths of capitalism and socialism and "who will overcome whom."

The Thai ultrarightist reactionaries collude with the American imperialists, the Beijing expansionists and hegemonists, and other reactionaries in carrying out their cruel schemes to stop our revolutionary stride, hoping to weaken us and finally overthrow and swallow our country along with Vietnam and Cambodia. The Thai ultrarightist reactionaries used their troops to shamelessly and openly encroach upon and occupy the three Lao villages of Ban Kang, Ban Mai, and Ban Savang on 6 June 1984, and they are stubbornly remaining in the three-village area causing trouble in the villages.

In national defense and security the military forces and the people of Vientiane Capital have always had a high revolutionary consciousness. They dismantled and defeated all the schemes and destructive acts of the enemies, firmly defended hundreds of [kilometers along the] western border, stopped and eliminated the reactionary exile forces and spies who came in to conceal themselves and conduct psychological warfare against our economy, politics, and socioculture, protected international guests who visited our country, defended large conferences, especially the third party congress, the summit meeting of Indochinese nations, and the first conference of the central mass organization, etc. They also participated very effectively in organizing and conducting international conferences and different Buddhist festivals. Recently the Vientiane Capital Youth Union has carried out its own duty. Over

100 of them voluntarily served in the front line and over 500 of them served in the ranks of the military forces. These are achievements in which our cadres, combatants, and the people of Vientiane Capital and throughout the country have participated. The party and government have admired these achievements and have assessed them highly.

With regard to industry, we have attentively improved the factories controlled by Vientiane Capital resulting in their fairly good operation. We have gradually advanced to produce basic means for economic expansion. We have produced agricultural tools, e.g., by experimenting with producing a rice-threshing machine, flour-milling machine, steel nails, steel barbed wire, bricks, tiles of guaranteed quality, wood products, electrical products, earthenware, 90-proof alcohol, sugar, etc. Handicrafts have been extensively expanded. A fair number of goods have been produced and exported.

Trade. Last year Vientiane Capital trade provided more than half the income in the budget for Vientiane Capital. Trade has carried out its basic role of effectively taking goods from industry and handicrafts to distribute them among the Lao working people, and collecting goods and agricultural, forest, rice-field products, and animals to supply the markets in districts. This has resulted in the improvement in workers' and farmers' obligation step by step. We have exchanged foreign trade with friendly socialist countries, especially with Hanoi Capital and Ho Chi Minh City, private merchants within the country, and we have worked together in the form of trade co-ops. Now these co-ops have become agents of working people for extensive trading with the state and Vientiane Capital. The co-op network has been expanded to all areas within all cantons in Vientiane Capital. Vientiane Capital trade honorably and effectively took part in raising the standard of living for the people in Vientiane Capital.

Dictatorship of the proletariat. The cadre ranks have been improved and expanded in terms of quantity and quality.

The major tasks for Vientiane Capital are:

--continue to improve the dictatorship of the proletariat system for the capital, district, and basic levels; improve and strengthen village, office, organization, school, hospital, and production unit levels; carry out tasks and divide up managerial levels; set up regulations and appropriate working techniques emphasizing the principle--the party leads, the government controls, and the people are the owners; highly raise efficiency in guidance and the actual carrying out and organizing; effectively complete the set political, military, economic, and sociocultural duties.

--increase national defense and security work and get the mass process to join this task extensively; increase local military work, guerrilla militia, and self-defense forces; ensure and strengthen the public security work of Vientiane Capital in each district and the bases; stop and defeat all the destructive movements of the enemies.

LAOS

COMMENTARY CRITICIZES SITTHI SAVETSILA ON BORDER TALKS

Vientiane PASASON in Lao 11 Dec 84 p 4

[Commentary: "A Response Which Is Contrary to the Aspirations of the Peoples of the Two Nations of Laos and Thailand"; A shorter English version of this item was published by Vientiane KPL in English. This was printed in the FBIS Asia and Pacific Daily Report 12 December 1984 issue on page 11]

[Text] On 3 December Mr Sitthi Savetsila, the foreign minister of the Kingdom of Thailand, sent an official letter in response to the sincere proposal of Mr Khamphai Bouppha, the deputy foreign minister of the Lao People's Democratic Republic, for a resumption of talks on the basis of meetings and talks between teams of representatives of the governments of the two countries, Laos and Thailand, to be conducted to consider various problems remaining between the two sides concerning the three Lao villages of Ban Mai Village, Ban Kang Village and Ban Savang Village in Paklai District, Sayaboury Province. This official reply to [our] constructive proposal, a proposal in keeping with the aspirations of the peoples of Laos and Thailand, states that: "... since last 13 October there have been no Thai forces in the area of the three villages..." and continues on: "the talks concerning this problem have come to an end and there is nothing further to discuss."

This response of Mr Sitthi Savetsila not only shows clearly the many angles of the schemes the right-wing reactionary group ruling Thailand has for the Lao People's Democratic Republic but also is a response which denies the truth and denies their own statement to the General Assembly of the United Nations not long ago. As everyone knows up until now the intention of the Thai Government as announced by Mr Sitthi Savetsila has not been achieved completely and correctly; there still are Thai forces occupying some Lao territory in the area of the three villages, and forces are still being sent to harass and threaten the area of the three villages and the surrounding area regularly. This destroys the tranquillity and the peaceful lives of the Lao people and Thai people along this border. In addition it has meant that the people of the three Lao villages whom they herded off to the Khi Ma area in Thailand have met with suffering, starvation, sickness and death and have been forced to follow orders. If anyone refused, they killed them and left them as in the case of Mr Boualoi. In this situation how can Thai officials dare to say that: "these people emigrated voluntarily..." This statement is very unreasonable because [people] do not flee from their homes, villages, and fields and gardens with crops unless they are compelled as the people of the

three Lao villages of Ban Mai Village, Ban Kang Village and Ban Savang Village were. While confronted with the crimes and the heavy losses in lives and property of the Lao people in the area of the three villages since the right-wing reactionary group ruling Thailand sent their forces to seize the three Lao villages, Mr Sitthi Savetsila still states in his official letter that: "as concerns these damages, the Thai side feels that these were caused completely by the actions of the Lao side" etc. Laying the blame on the owners of the villages which were invaded in this manner is a direct accusation against the Lao side in order to find a way to refuse the reasonable proposal of the Lao side which has had many improvements. This proposal from the Lao side is a sincere proposal to solve the problem of the three Lao villages peacefully in the spirit of both joint Lao-Thai statements which were signed in 1979 with the goal of creating neighborly relations between the peoples of the two nations, Laos and Thailand, and returning to a normal state of affairs. Mr Sitthi Savetsila's refusal of this sincere proposal from the Lao side is contrary to the highest aspirations of the people of the two nations of Laos and Thailand who have always tried to do everything to maintain good relations between Laos and Thailand. In addition the actions of Mr Sitthi Savetsila here have been contrary to the will of Thai society including high Thai officials.

For this reason the actions of Mr Sitthi Savetsila here have not only isolated him in the Thai Council of Ministers but are also a great error and are contrary to the hopes of the Thai people and various classes in Thailand. If the Thai side seriously intends to solve the problem of the three Lao villages peacefully according to the desires of the people of the two nations, Laos and Thailand, then the Thai side must withdraw its forces completely from Lao territory, return to their old homes the Lao people who were herded off, pay compensation for all the damage done to the people of the three Lao villages, recognize and respect the sovereignty of Laos on Lao territory completely, and return to the conference table with the Lao side in order to solve the problem of the three villages peacefully that Lao-Thai relations can return to normal.

8149

CSO: 4206/59

LAOS

VIENTIANE INTERNATIONAL STORE OPENS

Vientiane VIENTIANE MAI in Lao 12 Dec 84 pp 1, 4

[Article: "Vientiane City Opens the Vientiane International Store"]

[Text] In the evening of 10 December at the Vientiane Commerce Company there was a ceremony to officially open the Vientiane International Store.

Those gathering in honor of this ceremony included Mr Sisavat Keobounphan the secretary of the Central Committee of the LPRP in Vientiane City, Mr Khambou Sounisai a member of the Central Committee of the LPRP and the administrative president of Vientiane City, Dr Siho Bannavong the administrative vice-president of Vientiane City, Mr Kongpheng Souttavong of the Party Committee and the head of the Commercial Service of Vientiane City, the board of directors of the commercial company as well as many other workers.

In the ceremony Mr Khambou Sounisai represented the Party Committee and the Administrative Committee of Vientiane City and gave a speech about the establishment of the Vientiane International Store. He pointed out the role of socialist commerce, and he particularly stressed the duties of the Vientiane International Store; it was established on the basis of a cooperative commercial agreement with the Foreign Commerce Company of Hanoi. This was done to bring in goods for sale to serve the people of Vientiane City and various foreign guests.

In addition it serves to take goods from here and sell them abroad in order to create a steadily improving source of currency for the party and state.

At the end he called for the solidarity of the cadres and workers so that they could do the duties of the Vientiane International State well and achieve results to honor the 2 historic days which are coming.

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CSU: 4206/59

LAOS

PATIENT CARE IN HOSPITAL, CADRE LIVING STANDARDS NOTED

Vientiane PASASON in Lao 12 Dec 84 p 2

[Article: "Interview with the Director of the Mahosot Hospital"]

[Excerpt] Have there been any notable achievements at the Mahosot Hospital?

Answer: In the last 9 years we have been tested and remolded directly by the party and state. The ideology and way of thinking here had been old fashioned, a remainder from the old system, and it was eliminated from the cadres and workers in our hospital a little at a time. Solidarity and a spirit of responsibility toward the patients and communal equipment was improved voluntarily by our comrade doctors.

[I would like] especially to mention that since the beginning of the year we have been able to examine more than 103,200 sick people, receive more than 11,700 patients to the hospital, perform 1,451 operations on patients, distribute medicine to more than 117,957 people, and make 32,553 analyses. In the area of women and children we have been able to examine 8,874 pregnant women, check the health of 11,002 children and hold 50 health education sessions to which 2,905 pregnant women came.

In addition we were able to abolish commercial health care, abolish special rooms paid for by the patients, and solve the problem of enterprises in the hospital which were not appropriate with the role of revolutionary medicine.

Question: Are there any plans to raise the level of professionalism and especially the standard of living of the cadres and workers in the hospital?

Answer: In order to raise the level of professionalism, we have a detailed plan each week for learning and practicing health care. It is a unified system to help [them] study theory and guide [their] practice under the slogan: "teaching is learning twice." We believe that practice and study are our basic activities.

As far as the problem of the standard of living, we plan to increase productivity ourselves and have set up an administrative committee which is responsible for raising the standard of living of the cadres to an appropriate level in order to avoid their using their specialties to make money for

themselves. This would have a very negative and misleading effect on revolutionary medicine. In addition we have improved prosperity in order to improve the standard of living where necessary. The trade union is always at the center [of developments.] Doctors must practice in keeping with the saying: "a doctor is a good hearted mother."

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CSO: 4206/59

LAOS

THAI BORDER AREA BANDITRY, PSYWAR, MILITARY RECRUITMENT

Vientiane NOUM LAO in Lao 15-30 Aug 84 p 7

[Excerpts] Because Ban Gnai Canton is a part of Paklay District in Sayabouri Province, which borders on the adjoining Thailand, similar to Ban Det and Ban Mai Cantons, these cantons have been experiencing problems with bad people. [These intruders] sneak in across the border to disturb the building of the new lives of the people by their prowling, mugging, defamatory propaganda about state and party policies and threats against the people in these cantons and other nearby villages. These conditions are urging the people in Ban Gnai Canton, especially a large number of young men, to be on the lookout to fight against the destructive schemes created by the bad people. Therefore, the LPRYU [Lao People's Revolutionary Youth Union] of Ban Gnai Canton is actively involved in the national defense and socialist development tasks. Comrade Som Khongsavath, the secretary-general of the LPRYU of the canton, says about its activities in those tasks that, "There are 745 youth in the entire canton; 349 are males and 148 of them are members of the LPRYU. They are divided into four units and they live together in harmony. Due to their awareness and willingness to participate in the national security task, during the first 6 months of this year 12 youth volunteered to serve in this task and 215 comrades are guerrilla militia."

The military occupation by Thai reactionaries of the three villages since 6 June 1984 generated a lot of resentment from the youth and the people of Ban Gnai Canton because they had previously visited back and forth with the three villages and had held congresses about LPRYU tasks with them, and the inhabitants of the three villages also are their relatives.

Comrade Som Khongsavanh stated that, "Because of the resentment engendered by the Thai troops among the youth and the people of the three villages, namely, Ban Mai, Ban Kang and Ban Savang, 37 youth volunteered to enter local military service and 180 youth volunteered to transport supplies to assist the front line and serve in other tasks 44 times. They also participated in tasks to help local soldiers so that they could have 30 kilograms of tobacco, 44 eggs, 4 kilograms of chili peppers, and 400 chickens, duck and other [supplies]."

Concerning the occupation of the three villages by Thai troops, Comrade Som Khonsavanh stated seriously that, "The LPRYU of Ban Gnai Canton is determined to do everything possible within the union's power, especially to participate in the national security task with the local soldiers along the border. It will be everything to make Ban Mai, Ban Kang and Ban Savang return to the embrace of the country and normalize mutual visiting between the three Lao villages, without the shadow of any enemy and its stealthy infiltration into this land."

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CSO: 4206/50

LAOS

BRIEFS

TIN MINE PRODUCTION--There are 600 workers in our plant, of which 350 are LPRYU [Lao People's Revolutionary Youth Union] members. Our primary task is to improve and expand and produce simultaneously. Under the direct guidance of the party committee and the interest of the state, technocrats belonging to the LPRYU and graduated from socialist countries were sent to the plant, which is receiving direct assistance from Soviet technocrats who work in tin mining. We have improved and raised the efficiency in working freely to increase production 3.5 percent over 1982's, from 356 tons to 362 tons in 1983. Furthermore, our LPRYU is speeding up the improvement and restoration of the plant and striving to succeed in 1985. To commemorate the 2 national historic days and the 30th anniversary of the formation of the LPRYU, we have been able to restore production to 80 percent. When restoration is completed, pure tin production will be approximately 1,500 tons per year. Tin exports will grow daily, trade and imports of machinery will grow and our production will improve daily along with the living standards of our workers. [Excerpt] [Vientiane NOUM LAO in Lao 1-15 Sep 84 p 4] 12597

THAKHEK SECURITY, AGRICULTURAL PRICES--The rice cultivation yield is approximately 3 tons per hectare, which is absolutely more than with traditional production. This kind of production brings 320 kilograms of rice paddy to each cooperative member, which is sufficient for consumption. In addition, cooperatives have rice to trade to the state in exchange for machinery. Along with rice cultivation, we also concentrate on supplementary crop cultivation. For example, in 1983 we got 3,200 kilograms of tobacco, 2,300 kilograms of mung beans, and 2,300 kilograms of cabbage; we made 50,000 kip from the sale of these products. In addition to agriculture, we also pay attention to husbandry. We have a total of 480 buffaloes and 551 cows. We were able to sell 25 buffaloes and 27 cattle to the Thakhek downtown market. Small animals are raised by individual families. Improving cooperatives is one of the most important tasks because our Lao farmers are familiar with earning their living individualistically and unfamiliar with collective living. In addition, the enemy is attacking with psywar and war material hoping to destroy those activities. But under the guidance of the LPRP, we have been able to eliminate those old habits and defeat enemy attacks. The cantons which are next to Thailand with Mekong River as the border line are areas where Lao reactionaries in exile cross over and these [cantons] are ports that the enemy is aiming to destroy. Consequently, we have set up a guerrilla unit or self-defense force with 143 men to inspect the entrance and the exit of the people and guard the stables, water pumps, rice warehouse. Up to the present, we have been able to maintain peace successfully. [Excerpts] [Vientiane NOUM LAO in Lao 1-15 Sep 84 p 4] 12597

SAYABOURY BORDER GUERRILLA OPERATIONS--The border guerrillas of Ban Yai Canton, Paklai District, Sayaboury Province have raised the confidence of the people of their locality. The real results of their operations to protect their locality as well as their area of responsibility have brought peace and promptly blocked every attempt at disruption and destruction by those groups opposing the revolution. Comrade Nik, a member of the canton's Administrative Committee and the person responsible for the guerrillas' activities explained to our group of reporters that "in normal times the unattached guerrilla company of Ban Yai Canton works to deepen political [awareness] at the grassroots level among the people, to study and improve military preparedness and also takes the time for more work. At times when they are [operating] together closely, they resolutely and strictly follow the orders given them, inspect their area and return to Comrade Nik to report results. From the middle of the year until now they have gone out on 28 inspection patrols. They have been able to discover and capture two spies which the enemy sent into the area, get rid of a bad group which was running a gambling and prostitution operation while reeducating 7 people, send 12 people to district officials for reformation, and collect 5 weapons which were improperly assembled. In addition 51 workers went four times to transport [things] and help government soldiers build a camp and dig in, and they built one building. Now we are striving to achieve a greater success than ever to honor the two coming historic days with something of deep significance." Because they performed their duties well and skillfully and with the wisdom to achieve something good, the unattached guerrilla company of Ban Yai Canton has become the outstanding company of Sayaboury District and has received a certificate of commendation from the provincial military command. [Excerpt] [Vientiane PASASON in Lao 11 Dec 84 p 2] 8149

CSO: 4206/59

NEW CALDONIA

BRIEFS

HAYDEN TALKS--The leader of New Caledonia's independence movement, Mr Jean-Marie Tjibaou, says the Federal Government has assured him of its diplomatic support for a speedy and peaceful resolution of the independence crisis in the French Pacific territory. Mr Tjibaou was speaking in Canberra after meeting the prime minister, Mr Hawke, and the foreign minister, Mr Hayden. Speaking through an interpreter, Mr Tjibaou said he had received the assurance of diplomatic support from Mr Hayden. He said Mr Hayden also had expressed support for the French Government's plan for independence for New Caledonia as proposed by the French high commissioner, Mr Pisani. Mr Tjibaou said his people planned to proclaim independence on 1 January next year. A leading member of the Kanak Socialist National Liberation Front, the FLNKS, Mr Tjibaou also heads the so-called Kanak Provisional Government in New Caledonia. He leaves Australia today for Paris, where he will have further talks with the French Government. [Text] [Melbourne Overseas Service in English 0430 GMT 21 Jan 85]

CSO: 4200/440

PHILIPPINES

OPPOSITIONIST ADVOCATES RETENTION OF U.S. BASES

Manila BULLETIN TODAY in English 16 Dec 84 p 10

[Article by Roy C. Sinfuego]

[Text] Former Senator Rodolfo T. Ganzon batted for the retention of United States military bases in the Philippines in a talk before a group of labor leaders in the country during a breakfast meeting hosted by the Lapiang Manggagawa (LP) at the Manila Peninsula Hotel.

Ganzon warned of economic chaos that could result in a serious social disorder if the bases are removed.

Ganzon said the "movers" of the proposed dismantling of US bases in Pampanga and in Zambales must think of the welfare of the millions of Filipinos who are the beneficiaries of the estimated 50,000 Filipino workers in the bases.

Ganzon said that those advocating removal of the bases would find it impossible to provide jobs for the Filipino base workers.

The former Liberal Party senator said that the Filipino workers earn an estimated P1 billion a year in wages alone and this contributes to the economy of the country.

Ganzon added that credit facilities being extended by the American government would also be affected if the RP-US bases agreement were terminated.

Ganzon called on the labor leaders to conduct a study of existing labor laws to determine which are "unbeneficial" to Filipino workers, so that necessary steps could be initiated by the parliament to amend them.

CSO: 4200/373

PHILIPPINES

DAVAO WEEKLY ASSESSES PRESIDENTIAL SUCCESSION ISSUE

Davao MINDANAO TIMES in English 15 Dec 84 pp 1, 6

[Article by Jose L. Angliongto]

[Text]

Speculations on the failing presidential health have forced many sectors to face the question of political transition in the post-Marcos era.

The question now being asked is: who will take over the Marcos regime if the President dies or is physically incapacitated and cannot perform his duties as mandated in the Constitution?

1. Will it be a smooth transition
2. Will the Communist Party of the Philippine (CPP) with its military arm, the New People's Army (NPA), take over the government?
3. Will there be a military takeover Or a rightist Junta backed up by the military?
4. If not, who among the present crop of leaders are running in an election assuming a presidential election will be conducted within 70 days in accordance with the provisions of the Philippine Constitution for succession?

In our analysis of the tradition of Filipino politics, we strongly believe that if President Marcos should die or be incapacitated, there might be a strong tension and maybe a possible short period of confusion, but in the end a smooth transition of the regime will be possible.

As mandated by the Philippine Constitution, in the event the President is permanently incapacitated, or dies before the 1987 election, the Speaker shall act as president until a new president has been elected. The Batasan shall meet and convene on the third day after the vacancy occurs. The Batasan shall call for a special election to elect a president and a vice-president within 60 days.

The key to the smooth transition is the role that the Armed Forces of the Philippines will play. The officers in the Armed Forces, being trained traditionally to obey the Constitution, reinforces our strong

belief that they will see to it that the Constitutional provisions will be carried out. There might be some ambitious officers who might attempt to try to seize power, but they will be eventually pressured to toe the line. This will be specifically true if Lt. Gen. Fidel Ramos will remain as Chief of Staff.

We see a remote possibility of the CPP-NPA to violently seize power. The CPP-NPA no doubt can sow chaos and disorder in the country, but from the point of military assessment they are still at the state of the first phase of "strategic defensive," although in some areas it has almost reached the second phase of "strategic stalemate." They still have no capability to occupy towns or cities. How then, can they seize national power?

We, then, come to the question of a rightist junta take-over backed up by the military. This is a possibility only if we have the scenario that there is a continued serious deterioration of traditional political institutions, and intensified challenge from the CPP-NPA backed up by the radical left that endangers the security and stability of the State, and the tacit or open support of the U.S. government in defense of U.S. economic interests and the two military bases in the Philippines.

The above scenario will encourage the country's military establishment to back up a civilian-military junta to stage a takeover of the government.

Assuming that there will be a smooth transition and a special election will be called today, the following are some possible candidates for President and Vice-President:

For President:

- | | |
|--------------------------|----------------------|
| 1. Mrs. Imelda R. Marcos | 8. Salvador Laurel |
| 2. Juan Ponce Enrile | 9. Aquilino Pimentel |
| 3. Blas Ople | 10. Jovito Salonga |
| 4. Eduardo Cojuangco | 11. Cory Aquino |
| 5. Arturo M. Tolentino | 12. Raul Manglapus |
| 6. Cesar E.A. Virata | 13. Jose Diokno |

For Vice-President:

- | | |
|------------------------|-------------------------|
| 1. Alejandro Almendras | 6. Aquilino Pimentel |
| 2. Rafael Salas | 7. Nonoy Garcia |
| 3. Salipada Pendatun | 8. Vicente Paterno |
| 4. Ali Dinanoro | 9. J. Roilo Golez |
| 5. Butz Aquino | 10. Estelito P. Mendoza |
| | 11. Roberto Benedicto |

The President and Vice-President team-up will depend on the combination of many factors, such as, geographical distribution of voters, political base, personality, financial capability, sectoral support and, possibly, some interested foreign backing (?). Some names may be listed as presidential candidates and, at

the same time, as vice presidential potentials. Knowing our Filipino politics, there is no fixed rule. Crossing party line and accepting another position is possible. It all depends on the result of compromises during caucuses.

The most ideal for a transition team is that of Tolentino-Salas. Both have the prestige, qualification, and integrity. But, unfortunately, both has no political base and financial capability unless they be nominated as the "dark horse" team of the KBL.

Aside from the conditions stated above, two strong elements will certainly play a very important role to influence the result of the presidential election.

In view of the importance of the two U.S. military bases and the American economic interests in the Philippines, the U.S. government will definitely see to it that an anti-U.S. candidate will not win. Therefore, tacitly, America will throw her weight to influence the outcome of the pro-U.S. candidates to win if possible. On the other hand, the CPP-NPA, too, will not allow pro-U.S. candidates to win. Therefore, aside from the campaign under the many front organizations in the urban areas, in the rural areas, threats of reprisal against voters opposing their choice (CPP) will be expected where the government forces cannot reach.

The political situation, although considered as tense in the Philippines, nevertheless, is still fluid as to allow a more accurate assessment. The situation needs constant, unbiased monitoring and is still opened to further assessment. As of this writing, President Marcos has resumed his public appearances and meetings with his cabinet members. This has dispelled the speculation that he had undergone a heart or kidney operation. As long as President Marcos is healthy, he still firmly controls the situation inspite of more strikes, demonstrations and rallies put up by the Opposition.

PHILIPPINES

PAPER HITS ELECTED OFFICIALS' 'ABANDONING' REGION XI

Davao City PEOPLE'S DAILY FORUM in English 15 Dec 84 p 2

[Editorial: "On Absentee Elected Officials"]

[Text]

Lately, it has become an alarming common practice among many of our local elected officials in Region XI to spend most of their time in Manila instead of their respective areas of jurisdiction and responsibility. The Manila exodus of these absentee elected officials, it is generally believed, has reportedly something to do with the disturbed peace and order situation in their localities.

The absence of these elected officials from their political home bases — coming at these times of great crisis — is a great disservice to their constituents who placed them in their high office in the belief that these officials would serve them well. A truly dedicated public official would really stick it out through thick and thin with their constituents no matter how high the price they may have to pay — instead of abandoning their people at a time of grave economic and social problems.

Thus left "fatherless" without their elected leaders to turn to in times of urgent need, the people become easy prey to intimidations and machinations of enemies of the State who seek to impose their godless ideology upon the people in their ultimate desire to overthrow the government by force and violence.

Concerned citizens in this region are one in urging President Marcos to issue a directive enjoining all elected local officials to stay in their respective posts and to limit their travel and stay in Manila or elsewhere in the country by just a few days every year.

The irresponsible antics of absentee officials must be put to a halt at once. In case they choose to continue not to serve their constituents, they must immediately be replaced by appointing qualified men and women willing to serve the people in their stead.

PHILIPPINES

TUCP AFFILIATE BEATS KMU-LINKED UNION IN LOCAL ELECTIONS

Davao City THE MINDANAO DAILY MIRROR in English 16 Dec 84 pp 1, 7

[Text] The Associated Labor Unions (ALU), an affiliate of the Trade Unions Congress of the Philippines (TUCP--the only recognized labor center in the country), won over the National Federation of Labor (NFL), a leading member of the Nagkahiusang Mamumuo sa Habagatang Mindanao (NAMAHEMIN) which is closely linked with Kilusang Mayo Uno (KMU) during the recently concluded certification election among the banana workers of AMS Farming Corporation (AMSFC) both in its Asuncion and Kapalong operations.

The result of the AMSFC election was one of the series of debacles suffered by NFL which earlier lost to TRUST-KILUSAN in Hijo Plantation, Inc. and Summit Enterprises, Inc.

NFL practically lost at Delta Farms, Inc., a banana plantation in Kapalong, Davao del Norte and Soriano Fruits Corporation at Camuning, Asuncion, Davao del Norte when its two (2) petitions for certification election were dismissed for its utter failure to produce the required signatures. Under the law, a petitioning union is required to produce at least 30% signature of the total work force in the bargaining unit, otherwise, any petition not so supported will have to be thrown out.

In the case of Soriano Fruits Corporation, NFL failed to produce a single signature while at Delta Farms, Inc. NFL was only able to secure about 40 out of the 500 workers.

Keen observers in the labor movement considered the recent setbacks of NFL as indicative of the workers' abhorrence against the strong arm tactics. ALU, on the other hand, which is the main target of destruction by NAMAHEMIN and CENTRUM groups is again on the rise with its having, consistently embraced democratic ideals and traditions and whose goal is to secure a more economical and other benefits for the workingman.

ALU, being a TUCP affiliate, is against any move in destabilizing the national economy. ALU believes it can contribute to national development thru an independent and responsible trade unionism and the promotion and protection of the freedoms and rights of the workers.

CSO: 4200/373

PHILIPPINES

GOVERNMENT REJECTS FOREIGN EQUITY EXTENSION

Manila PHILIPPINES DAILY EXPRESS in English 16 Dec 84 pp 20, 19

[Article by Arleen C. Chipongian: "Extension of Foreign Equity Rule--Gov't
Nixes Amcham Bid"]

[Text] THE foreign business community's bid for an extension of PD No. 1982, which allowed the foreign investments up to 100 percent in pioneer enterprises, was rejected by the government, because with the economic recovery now underway, Filipino investors could well support their enterprises with minimal help from foreign entrepreneurs.

Government sources said that if the government deemed it necessary to revive PD 1982, it could do so before the decree expired last December 4.

Foreign investors led by A. Lewis BurrIDGE, president of the Philippine Association of Multinational Regional Headquarters Inc. (Pamuri) and the American Chamber of Commerce (Amcham), battled for an extension of the decree for another year as an incentive for the entry of more foreign investments.

The decree, together with Central Bank circular 970, paved the way for an influx of foreign investments, especially in joint venture enterprises.

STATISTICS gathered at the Board of Investments (BOI) showed that from January-September 1984, a total of P538.22 million in foreign investments came in through CB 970 and PD 1982. This amount represents about 22 percent of total foreign investments of P2.24 billion during the first nine months this year.

Out of the P538.22 million investments as a result of PD 1892 and CB circular 970, about P445.54 million came in under the CB circular, while only P92.68 million were recorded under PD 1892.

Since the PD was implemented last December 1983 until September this year, only nine firms have availed of its provisions. Seven of the nine firms were existing while two were new projects.

One of the industries adversely affected by PD 1892 and CB circular 970 was the motorcycle industry. In the past year, Japanese partners of local

motorcycle companies, excluding Norkis-Yamaha, took over majority of the shareholdings of the firms. The other motorcycle firms are Suzuki-Antonio, Kawasaki and Mariwasa-Honda.

PD 1892 was the subject of controversy among local businessmen who said the decree would only pave the way for a takeover of local enterprises by foreign businessmen.

CSO: 4200/373

PHILIPPINES

DAVAO COLUMNIST EVALUATES PRESIDENTIAL ASPIRANTS

Davao City THE MINDANAO MIRROR-BULLETIN in English 17-23 Dec 84 p 2

[Commentary by Casim Arkoncel: "Cory Aquino for VP"]

[Text] The International Monetary Fund's (IMF) approval of the country's \$600-million standby loan had better not be understood as manna for the coming elections. In a sense, it paves the way for an economic recovery plan through tighter austerity measures. It also means that we are deeper in debt than ever.

The interest alone on the existing foreign debt of \$26-billion has raised the sum by another three billion dollars. There's also the withdrawal from the World Bank and the Asian Development Bank of some \$150-M during the past year. Next February another gigantic indebtedness to the tune of \$925-million will be extended by various banks through the Paris Club. A sizable slice of the pie will go to interests and loan repayments to the IMF.

In any economic slump only new money infused into the economy can bring the hope of recovery, and this was precisely the motive of the opposition in holding the mass actions to create a state of chaos that it hoped would dissuade the world's finance entities from granting any more loans. Without the new loans the opposition figured out that the Marcos government will collapse. The apparent support by the US government to the Marcos regime clinched the long-sought IMF bonanza.

However, the legitimate opposition also sees the recent windfall as a boon to the entire nation. All of the known presidential hopefuls in the opposition also had aligned themselves with the United States. Only a splinter group advocating for the removal of American bases in the Philippines remains to be a thorn in the bid to court US support of the presidential candidate who will run against President Marcos or his standin.

Former senator Salvador H. Laurel, UNIDO president, is the frontrunner from the opposition camp to be the country's next president. In a post Marcos era, a scramble for the presidency is evident from both the ruling KBL or the different opposition combos, but in a confrontation with the incumbent chief executive, only Laurel is given a chance to turn the tables on the 21-year reign of the Marcos administration.

The state of the President's health is a factor that has kept everything hanging. It's either a presidential poll will be held in a few months (in which case the scramble ensues) or a long wait till 1987 or sooner, in case the synchronization of elections is decided by the KBL at an earlier date. It appears though that Marcos is not critically sick or dying. The old man may still outlive a few more opposition stalwarts who are themselves sick or dying.

From the KBL ranks. Defense Minister Juan Ponce Enrile is the early hopeful to make a bid for the top post. A confrontation with Ambassador Eduardo Cojuanco Jr. is not remote, although the coco king might decide to be a king-maker rather than president. Labor Minister Blas F. Ople is still eyeing the vice presidency--like other KBLs in deference to the re-election bid announced by Marcos. The opposition ranks also have veep aspirants in Nene Pimentel, Sonny Osmena, who both come from the south having perhaps conceded that a Luzonian gets the presidential slot. A surprise VP bet is Cory Aquino. She's a top pick to grab the women's votes.

CSO: 4200/373

PHILIPPINES

FURTHER REPORT, SUMMARY OF EAST BLOC CONTACTS

Kuala Lumpur BUSINESS TIMES in English 5 Dec 84 p 21

[Article by Kuah Guan Oo]

[Text]

WITH communist insurgency as its No. 1 threat today, the Philippines also finds itself an increasingly favourite spot for visitors from the USSR and East European countries.

"There certainly has been a marked increase in the number of visitors from the USSR and the East European bloc countries in the past 10 months or so," said an official source, who wondered at the "connection" between the visits and the rise in the insurgency problem of the Philippines since the assassination of opposition leader Benigno Aquino Jr in August last year.

The source, who indicated that the "authorities" are keeping tabs of these visits, said before the country was faced with its present "problems," there were not many visitors from these countries.

"But suddenly there are visitors like scientists and cultural troupes from these countries who are interested in attending international conferences or performing here," he added.

The contacts between the Philippines and the USSR and East European countries have been at both the official and people-to-

people level, and have not escaped many watchful eyes in diplomatic circles.

Observation of the Soviet interest in the Philippines was first voiced by an alert Press, *The Malaya*, which re-printed in August an article carried by the economic newspaper in London.

Toe-hold

The article said Doris Smirnov, the Soviet disinformation expert is back in business with his posting to Manila on April 12 as first secretary of the Soviet embassy. He had successfully passed off the "last will of Chou En-Lai" to Tokyo in 1976 and there sowed confusion among Chinese leaders.

The article said a few weeks after his arrival in Manila, a bogus questionnaire from the United States information service began dropping through the letter-boxes of leading Filipinos seeking sensitive information on such topics as their political leanings and military experience. "The recipients were outraged by this American impertinence."

In this connection, this writer has received the underground newsletter of the com-

munist party of the Philippines, *Liberation*, in an envelope of the US information service. And, a check with other correspondents showed that they had had similar experiences.

Observers here generally feel that the Soviets are angling for a toe-hold in the country noted for its closeness with the United States. Given the political and economic crisis of the country and the disenchantment of the people against the Marcos government, the Soviets are seen as preparing to "fish in troubled waters." Judging from the arrivals and visits over the past ten months or so, the Soviet Union and its eastern European allies seemed to come in "heavy" on culture, sports and economic ties.

Ballet

In July, the First Lady, Imelda Marcos, was given an award by the presidium of the USSR Union of Soviet friendship societies and cultural relations with foreign countries for her "contributions to the cause of friendship" between the two countries.

In the same month, the story of the Soviet revolution in Tagalog was distributed.

Among some of the visits noted, apart from numerous exhibits throughout the period, are:

- June 9: Arrival of two Soviet coaches for weightlifting and shooting;
- June 30 to July 8: Tour of Soviet Moldavian folkloric group;
- July 3: Soviet cultural show at the Cultural Centre of the Philippines;
- Aug. 25: Romanian cultural presentation;
- Sept. 19 to 20 and Oct. 13 to 14: Soviet track meet in Manila;
- Oct. 10: Bulgarian ballet group presentation;
- Nov. 4 to 14: Soviet cosmonaut Vladimir Lyakhov's visit — with others, and First Lady is again cited for promoting Soviet-Filipino friendship;
- Nov. 12 to 13: East German cultural show; and
- Nov. 14 to 21: Three Soviet visitors to the Philippines International Trade Show.

From these contacts and exchanges, it is apparent that they have been confined to the level of the First Lady, who was responsible for establishing Soviet-Filipino relations with her special mission to Moscow in March 1972.

The two countries have a trade agreement signed on June 2, 1976.

PHILIPPINES

RAMOS ASSESSES BICOL SITUATION, ORDERS RETRAINING

Response To CPP Reorganization

Davao City THE MINDANAO DAILY MIRROR in English 15 Dec 84 pp 1, 7

[Text] Acting AFP Chief of Staff Lt. Gen. Fidel V. Ramos Thursday ordered the retraining of military personnel in Bicol following reports that the Communist Party of the Philippines (CPP) in Region V has been reorganized.

He directed Brig. Gen. Jose Alcaneses, commander of the regional unified command (RUC) V, to immediately start the retraining of troops to cope with any contingency that may arise.

Ramos also ordered that all cases involving misbehaving soldiers be acted upon with dispatch, particularly on alleged human rights violations.

He said any report of military abuses must be immediately investigated to show to the people that military will not condone misbehaviour.

According to Ramos, the CPP reorganization plan is focused on an intensified recruitment and fund raising programs, obviously to finance military operations by the New People's Army (NPA).

He said the CPP is planning to activate the Southern Luzon Commission (SLC) to convert the Bicol Regional Party Committee into a full-fledged commission.

"There are six CPP commissions now supposed to be in existence in the entire country," Ramos said.

The role of the commission is to oversee the operation of the underground movement in a particular area.

Ramos, who is also the PC/INP chief, said it was not clear at the moment who is the CPP leader in the Bicol region.

But, he said, "the elevation of the old Regional Party Committee to SLC means that they can orchestrate their activities and disseminate party programs and guidelines more effectively than before."

He said the NPA continues to have the capability of conducting guerilla attacks such as raids and ambushes on isolated military detachments and police stations.

In assessing the Bicol peace and order problem, Ramos said "We are encouraged by the fact that the people and local officials are now more aware of the need for greater coordination in the drive against insurgency".

He said there seems to be an improvement of the interaction between the military and the religious.

"I feel this is a very good development because we need to have a teamwork in fighting criminality and counter-insurgency and subversion, especially in the Bicol region," Ramos added.

Further Details

Manila BULLETIN TODAY in English 16 Dec 84 p 10

[Article by Owen Masaganda]

[Text]

CAMP IBALON, Legaspi City — The peace and order situation in the Bicol provinces was assessed by top military officers during the visit here recently of acting AFP chief of staff Lt. Gen. Fidel Ramos.

Brig. Gen. Jose S. Alcañeses, RUC-Recom commander, briefed him and other visiting generals on the situation in his area of command covering five provinces, including the two islands of Catanduanes and Masbate, and three cities.

Among the factors for the improvement, he said, were implementation of "Oplan Katatagan" and a seminar on security and development involving all sec-

tors of society including religious groups, civil officials, and the media. Alcañeses said rural folk were enlightened about the government drive against insurgency during the seminar.

Besides, he said, the people, especially coconut and palay producers, are now reluctant to give taxes to the rebels.

Brig. Gen. Levy Malto helicoptered to Sorsogon, while police Brig. Gen. Rene Cruz flew to Camarines Norte and met with civil authorities. Col. Cesar Veloso, Camarines Norte PC-INP commander, hoisted the dialogue in his area and Lt. Col. R. Garcia in Sorsogon.

General Ramos met the provincial, city, and

municipal officials and media men in Camarines Sur in Naga City.

Col. Job Mayo briefed General Ramos on the activities of his unit. Mayo said he utilized top NPA commander surrenderees as speakers and in the educational and peace and order drive.

US Senator Christopher J. Dodd recently visited the Albay towns of Sto. Domingo, Tabaco, and this city and met Magr. Joselito Sarte and Gov. Felix Imperial. He asked the Bicol church leader about the activities of the NPA.

Senator Dodd was informed by Magr. Sarte and Gov. Imperial about the improvement of peace and order in Albay.

CSO: 4200/373

PHILIPPINES

RAMOS WARNS AGAINST HUMAN BARRICADES

Davao City THE MINDANAO DAILY MIRROR in English 16 Dec 84 pp 1, 7

[Text] "Human barricades during strikes, rallies and demonstrations are within the "realm of civil disobedience" and, therefore a violation of the law."

This was what Lt. Fidel V. Ramos, Actg. AFP Chief of Staff/PC Chief and INP director General, said during a recent dialogue with multi-sectoral groups here.

The dialogue was held for Gen. Ramos during his latest visit here to assess prevailing problems in the region and to collate the suggestions of public officials, community leaders and representatives of the various sectors on how to solve these problems.

The matter of human barricades--which hampered the flow of traffic and the movement of pedestrians during the two recent transport strikes in the city which resulted to "severe losses to the government and private sector"--was among the major topics discussed during the open forum that followed the dialogue after media men asked the General's comment on the reaction of the PC/INP on situations like human barricade how these should be handled by law-enforcers.

Gen. Ramos said there are provisions in a proposed bill pending at the Batasan with regard to rallies and on the rights of others to travel and how these should be handled considering the "severe losses and inconvenience to the public involved."

He added that human barricades during strikes, demos and rallies have often "the support of radicals, intellectuals and other groups."

"There are professional rallies," he stressed.

Human barricades as a form of civil disobedience therefore justified the action of the military and the police in apprehending some 433 persons--among them women and children--who formed human barricades at Crossing Matina, at the vicinities of the Regional Medical Center and the Redemptorist Church during the transport strike here Dec. 3 to 6. Most of those apprehended, however, were released by the Davao Metrodiscom after routine checkups.

Representatives of the multisectoral groups during the open forum were one in saying that "strikes, demonstrations, rallies and human barricades during the recent transport strikes were "not legitimate expressions of the peoples' will since they were infringements of their rights."

Members of the media said during the conference that the recent 4-day transport strike the "city lost an estimated P13-million per day."

CSO: 4200/373

PHILIPPINES

MAYORS FREE TO DISCIPLINE POLICE: ECHEVERRIA

Davao City THE MINDANAO DAILY MIRROR in English 14 Dec 84 pp 1, 6

[Article by Rudy Calansingin]

[Text] Mayors can now institute disciplinary actions against erring police personnel, this was announced by Brig. Gen. Jaime C. Echeverria, commanding general of the XIth regional unified command (RUC-XI) here.

Gen. Echeverria disclosed that these are some of the powers given to local chief executives during the top level military command conference in Manila recently to draw up security plans to involve the participations of civil authorities.

"There is no more compromise with subversives," Gen. Echeverria quoted President Marcos as saying. The RUC-XI chief said that the government has already exceeded maximum tolerance in dealing with subversives.

As this developed, Davao del Sur PC-INP provincial commander Laudemer Kahulugan reported to the RUC-XI chief that military operations under his command has weakened subversive activities after his men wiped out top commanders of the CPP in Front 7 and the Armed City Partisan Unit (ACPU) whose operations covered North and South Cotabato, Davao del Sur and Davao City.

Kahulugan made the report after the arrest of the Davao Savings Bank manager in Digos for subversion.

The Davao Savings Bank manager of Digos allegedly actively participated in the CPP/NPA PLENUM or command conference of Front 7 held in the bank manager's residence.

Meanwhile, Brig. Gen. Dionisio S. Tan-Gatue, Jr., commanding general of the PC-INP 11th regional command said he will house the new firetrucks in Camp Catitipan to protect them from the elements until the city government can provide shed for them at the Central Fire Station in Sta. Ana.

He said this at the RUC-XI press conference last Tuesday at Panacan, this city, when asked what steps he would take to protect the new firetrucks which are exposed to the elements at the central fire station because of lack of building shed.

Gen. Tan-Gatue said that whenever local governments request for firetrucks they showed also be ready to provide buildings to house them.

The city government, the other week, was given two modern firetrucks costing P3 million each and another sophisticated rescue operation vehicle complete with medical and operating facilities turned over by no less than acting AFP chief of staff and PC chief Lt. Gen. Fidel V. Ramos.

CSO: 4200/373

PHILIPPINES

REPORTAGE ON BATASAN INQUIRY INTO SUGAR INDUSTRY

Batasan Assures No Whitewash

Manila BULLETIN TODAY in English 12 Dec 84 p 8

[Text]

The Batasang Pambansa subcommittee on foreign trade said yesterday there would be no whitewash in its investigation of alleged irregularities in the sugar industry.

Member of Parliament Antonio Carag (KBL, Cagayan), subcommittee chairman, made the statement at the start of a public hearing on charges of graft, mismanagement, and other irregularities in the industry.

MP Wilson Gamboa (Opposition, Negros Occidental) asked the Carag subcommittee to subpoena documents needed for a full audit of the industry from the Philippine Sugar Commission (Philsucom) and the National Sugar Trading Corp. (Nasutra).

Gamboa, along with 64 opposition, Kilusang Bagong Lipunan, and Caucus of Independents MPs, sought the inquiry in Resolution No. 102.

The mother committee later authorized the subcommittee to look into the charges aired on the floor by MP Fermin Caram Jr. (Opposition, Iloilo).

Among the documents sought for the investigation were those on annual production from crop year 1973 to 1984, number of piculs set aside for domestic and export market and the reserve stocks, list of domestic dealers and allocation-holders, income and expense on sugar trading, and annual financial statement of the Philsucom and Nasutra from 1977 to 1984.

Miguel Gonzales, lawyer of Roberto S. Benedicto, Philsucom and Nasutra chairman, appeared during the start of the hearing.

Caram has charged the Philsucom and Nasutra with gross mismanagement of the industry.

He cited studies by

the UP School of Economics and the National Alliance of Sugarcane Planters to support his claim.

Caram also said that mismanagement caused a drastic drop in the country's sugar quota with the United States.

May a party in an election case be required to witness for an opposing party?

This issue sparked a lively discussion during the hearing yesterday of a disqualification case against Member of Parliament Nenita Cortez Daluz (Opposition, Cebu province) before the Commission on Elections (Comelec).

Antonio Almirante, a candidate of the Kilusang Bagong Lipunan (KBL) sought "Daluz's disqualification on the ground that she is not a resident of the province when she ran in the last Batasan elections.

Authorities Belie Charges

Manila PHILIPPINES DAILY EXPRESS in English 14 Dec 84 pp 1, 6

[Text] THE PHILIPPINE Sugar Commission and the National Sugar Corporation yesterday described as "mere assumptions and erroneous" the testimony of a witness on the liquidation prices and trading expenses of the two government agencies in the sale of sugar.

Philsucom-Nasutra lawyer Miguel V. Gonzalez said when the correct and official figures are shown, the computations cited by Guillermo Araneta, resident manager of the Ma-ao Sugar Central, would be repudiated.

Araneta testified anew yesterday before the Batasan subcommittee on foreign trade headed by MP Antonio C. Carag (KBL, Cagayan). The sugar producer answered questions propounded by MP Wilson Gamboa (Unido, Negros Occidental), one of the authors of a Batasan-approved resolution authorizing the inquiry.

ARANETA said that, according to his own computations, the liquidation prices fixed by Philsucom were arbitrary and low and trading expenses over-stated to the prejudice of sugar producers.

The witness assailed the sale on a long-term contract basis for sugar, from 1981 to 1984, by Nasutra at a fixed price of 23.5 US cents per pound, contending that if the producers had been left to themselves, they could have sold their sugar produce at higher prices.

Gonzalez told newsmen that Araneta omitted the fact that the higher prices were short-lived, and that for the next three years, sugar prices plummeted very much lower than the 23.5 US cents per pound, the selling price under the long-term contract.

As a matter of fact, Gonzalez said, the long-term contract executed by Nasutra has been held in international sugar circles as a major innovation in sugar trading.

GONZALEZ also reiterated his manifestations before the Batasan body that the authority of Nasutra as a single buying-and-selling agency for sugar has already been upheld by the courts in two cases: One by the Supreme Court in Corazon Zayco vs. Nasutra-Philsucom, and the other in the Hortencia Starke vs. Nasutra-Philsucom in the Quezon City regional trial court.

The inquiry will be resumed on Dec. 20.

Planters Dismiss Probe

Manila BULLETIN TODAY in English 16 Dec 84 p 16

[Article by Joe L. Magbanua]

[Text]

BACOLOD CITY
— The overwhelming

majority of sugar
planters and millers

to the opposition's partisan moves," sugar people observed that the hullaballo is "too late for the last Batasan elections and too early for the 1986 local polls."

Sugar, they recalled, has always been a major issue in virtually all post-war political exercises in sugarlandia and the last exercise for legislative seats was not an exception. And since the people of Occidental Negros had decided the sugar issue by electing three administration candidates, one opposition and one independent, it is a "valid assumption" that the administration policy on sugar in this province was quite amused at what they laughed off as the "moro-moro" in the Batasang Pambansa over "11 questions" raised by opposition lawmakers for the Philippine Sugar Commission and its subsidiary, the National Sugar Trading Corp., to answer.

They uphold the way Ambassador Roberto S. Benedicto steers the two sugar bodies, stressing that RSB had done an "excellent job" of promoting the country's premier industry.

Dismissing the probe of the Batasan as an "over-reaction" was upheld, it was pointed out.

Negrenses had expressed "full satisfaction" over the manner NASUTRA Executive Director Norberto Escolin had been discharging his duties and functions. The records would easily show, it was cited, that financial statements regularly prepared by Nasutra were all duly audited by the Commission on Audit as required by law and that Nasutra has scrupulously limited its activities on export trading, again as required by law creating it, leaving domestic trading to free enterprise.

Under Escolin, the Nasutra had successfully worked hand in hand with Philsucom in promoting the

sugar industry particularly the tens of thousands of families who are directly dependent on the industry, it was added.

Since the opposition-inspired Batasan hearing was "arbitrary and unnecessary," Negrenses also hailed the decision of the KBL-dominated Batasan rejecting opposition suggestions that holds another "carnival" in the province, in the guise of a "legislative inquiry."

They also applauded the arguments of the Philsucom-Nasutra counsel Miguel V. Gonzalez who cited two Supreme Court decisions clarifying the status of Nasutra as an independent buyer when it goes into sugar trading and that the relationship between Nasutra and the sugar producers is one of purchaser and seller.

Thus, in the words of Gonzalez: "So, when Nasutra sells sugar, the entire proceeds and profits belong to Nasutra." It's as simple as that!

PHILIPPINES

COLUMNIST DEFENDS IMF SECRECY

Manila BULLETIN TODAY in English 15 Dec 84 p 6

[Commentary by Apolonio Batalla: "Meanings of Silence"]

[Text] IN the rarefied atmosphere of the international banking community, there are many secrets that are withheld from outsiders. To our knowledge, there has been no book giving an intimate picture of financial negotiations, some book written by a participant in deals involving nations and vast amounts of cash. Money, then, is an effective silencer.

In contrast, a lot of books have been written by the participants in wars. Statesmen who have participated in the making of momentous decisions have written memoirs. Delicate diplomatic negotiations have seen print, after declassification, and their importance cannot be minimized.

The details of the negotiations with the IMF and the creditor banks are largely secret, for a good reason--if they are revealed to the outside world, adverse public reaction can derail the negotiations.

If, as we have already noted, the negotiations with the foreign creditors have already dragged on for more than a year, there would be further delay if the details of the talks were published.

Public satisfaction for full information has to give way to the urgency of the subject at hand. That only affirms the observation that money is an effective silencer.

But, of course, curiosity cannot easily be quenched.

One good question revolves around the role of the IMF in coming to the aid of distressed member-countries like the Philippines.

In the months since the onset of the foreign-exchange crisis, popular literature said approval by the IMF of the requested standby credit facility would be like a Good Housekeeping seal.

That means to say once the IMF approves the request, the creditor banks can rely on that action for the grant of additional loans and for the rescheduling of the short-term obligations.

However, the procedure departed from the script that most observers believed would be followed.

Final approval by the IMF would come only if the banks would pledge 80 to 90 percent--the "critical mass"--of the amount of new funds perceived as needed by the Philippines in the immediate term.

That means to say, there has to be two Good Housekeeping seals--one from the IMF, another from the banks. One without the other would not work.

In the event the total pledges from the creditor banks did not reach the "critical mass," the IMF would be helpless.

The IMF would not be able to assist a member-country. Even if it wanted to, it would be hostage to the will of some creditors.

It is possible some large creditors can deny further loans or delay assistance. Indeed, the smaller of the 483-creditor banks have so far refrained from pledging new money.

Since the rule is silence, we might never know all the reasons of those banks. And our negotiators can press but only quietly and they cannot try some underhanded tactics, because they are at the mercy of the banks.

If we are to make any sense of all this silence, we may shift to another axiom of long standing, and that is silence speaks louder than words.

The root cause of the present difficulties is an excess of spending over income. If the IMF has been rough on the Philippine negotiators and the creditor banks have pussy-footed, they might have wanted enough assurance that when relief shall have been given the country does not take up the old habit once more.

CSO: 4200/373

PHILIPPINES

TOLENTINO CRITICIZES IMF IMPOSITIONS

Manila BULLETIN TODAY in English 15 Dec 84 pp 1, 18

[Text] Foreign Minister Arturo Tolentino called yesterday for a new international economic order that would insure true progress for Third World nations and criticized International Monetary Fund (IMF) impositions.

Minister Tolentino, speaking before the Philippine International Law Society, said he was dismayed that Third World countries were getting deeper in debt due to existing economic structures.

He specifically named the IMF as one structure which imposed conditions for financial help which, he alleged, impoverished borrowing Third World nations and imposed hardships on their peoples.

"By imposition of the IMF, we are getting into further indebtedness because, if we cannot pay the interest, we are forced to borrow some more money in order to pay this interest," Tolentino said.

The Philippines is currently awaiting approval of a \$630-million stand-by facility from the IMF to help fuel recovery of its economy now deep in its worst crisis since World War II.

Conditions for the grant of this facility, government officials said, including raising taxes, devaluing the peso (twice this year), reducing government spending, and raising interest rates.

Critics said it was doubtful if the Philippines could earn sufficient foreign exchange "fast enough to be able to pay" the principal and the interest, in which case the interest pile-ups feared by Tolentino would become a reality.

CSO: 4200/373

PHILIPPINES

FARMERS OPPOSE NEW RUBBER AUTHORITY PROPOSAL

Davao City THE MINDANAO MIRROR-BULLETIN in English 17-23 Dec 84 p 3

[Article by Pablo L. Barreto]

[Text] KIDAPAWAN, North Cotabato, Dec. 16 (PNA)--Rubber planters from Mindanao have questioned the motives behind the proposed Philippine Rubber Authority now pending consideration by the Batasan.

The rubber farmers expressed alarm that another regulatory body will not help the growth of the rubber industry but will only lead it to the same fate as had happened to the sugar and coconut industries.

In a position paper opposing parliamentary bill no. 1349 which seeks to create the rubber authority, the farmers charged that the move is another attempt by people who knew little and have no stake whatsoever in the industry to regulate it for their own selfish motives.

"The intention of the proposed rubber authority is obvious: make the industry another milking cow, similar to the coconut and sugar industries," said one angry planter.

According to the position paper, while the bill appears harmless on the surface, there are objectionable portions that could add more sufferings to the rubber planters. Besides, the paper said, the creation of the authority will open the industry to exploitation, graft and corruption.

More farmers from as far as Basilian, Zamboanga, and Agusan had joined in protesting the creation of the rubber authority.

CSO: 4200/373

PHILIPPINES

DAVAO ORIENTAL COMMANDER ON SECURITY, MNLF RETURNEES

Davao City THE MINDANAO DAILY MIRROR in English 15 Dec 84 p 7

[Article by Rudy Calansingín]

[Text] Mati, Davao Oriental--PC-INP provincial commander and police superintendent Col. Carlos Pena belied reported presence of the Bangsa Moro Army (BMA) in the province even as he also disclaimed radio reports that Governor Francisco G. Rabat has evacuated his entire family in Manila for fear of NPA attack in Mati poblacion.

"The trouble with people in Mati is that when they see Maranao or Tausog visitors they immediately tagged them as BMA's," Col. Pena lamented.

He explained that before his assignment in Davao Oriental PC-INP provincial command he had a long stint of assignment in Jolo and some Tausog friends have been visiting him lately.

Col. Pena also deplored radio reports, quoting NPA propaganda that the dissidents will attack and occupy the capital town of Mati before the year ends.

"We have still full control of the situation," Pena said adding that "the radio reports only aid to cause panick among residents in the area."

The Davao Oriental provincial commander made the clarifications during an interview at the RUC-XI recreation ground after the command conference of the regional unified command under Brig. Gen. Jaime C. Echeverría Tuesday afternoon.

When asked whether or not Governor Rabat is building up a CHDF brigade composed mostly of MNLF returnees, Col. Pena said individual applicants for CHDF membership are screened according to guidelines to see to it that the CHDF roster is free from misfits they be MNLF returnees or not.

It was learned that MNLF returnees now under the payroll of the provincial government have been operating against dissidents and criminal elements in San Isidro and Governor Generoso towns in coordination with the PC-INP stations/detachments in the area but some of thier members are exacting exhorbitant contributions from civilian sectors.

Reliable sources who requested anonymity also revealed that the group clashed with the armed group of Hadji Musah of Barangay Tagabebe, Governor Generoso, resulting to a brief gunbattle in Sitio Makaling.

The group of Hadji Musah is now securing the Governor Generoso area against the MN LF returnee group, the source also revealed. The same source also bared that a BMA group under Comdr. Salih of the Salamat faction has also landed in San Isidro municipality and has put of checkpoint at the San Isidro-Gov. Generoso boundary at Bajada in Barangay La Union manned by the BMA top lieutenant, a certain Comdr. Efren Cahilog.

When apprised of the situation, Col. Pena said that if it is true, "then let one groups consume each other," although he denied the veracity of the reports of the Salamat faction BMA group in the area.

CSO: 4200/373

PHILIPPINES

RAMOS DISPATCHES INFANTRY BATTALION TO MINDANAO

Manila BULLETIN TODAY in English 15 Dec 84 p 8

[Text] Lt. Gen. Fidel V. Ramos, acting Armed Forces chief of staff, dispatched yesterday one infantry battalion to Mindanao to augment forces there for the counter-insurgency campaign.

The acting AFP chief saw off the battalion at the Villamor Airbase where they boarded C-130 aircraft of the Philippine Air Force.

The 2nd AFP/GHQ Infantry Battalion (composite) is under the command of Lt. Col. Luisito G. Sanchez (Army). It is made up of personnel coming from the four major services of the AFP--Army, PC, PAF and Navy. The officers and men have trained as a fighting infantry unit.

In his send-off remarks, Ramos expressed his confidence and high expectations that the unit will also perform creditably in their area of deployment--Region XI.

He cited the performance of the previous GHQ battalions as his basis for this pronouncement.

It will be recalled that the 1st GHQ battalion has earlier been deployed in Region I and the 2nd GHQ battalion is now operating in Region V.

In his recent visits to the field, Ramos noted that the two GHQ battalions have been performing well.

Ramos enjoined every personnel of the unit yesterday to apply the theories they learned into practice. He said: "Your mission will be both enjoyable and difficult but you can derive a great deal of personal satisfaction by doing your job efficiently and with distinction."

He assured the troops that they have the total and uncommitted support of the entire military hierarchy in the GHQ and in their respective major services as well as their colleagues and the Big Difference Himself--the Good Lord.

CSO: 4200/373

PHILIPPINES

POLICE ANALYST SUMMARIZES 1984 MINDANAO COMBAT

Manila BULLETIN TODAY in English 16 Dec 84 p 8

[Article by F. T. Flores]

[Text] At least 345 Moro National Liberation Front (MNLF) rebels were killed, 87 captured, 600 surrendered, and 43 wounded during clashes with government troops in Mindanao this year, it was revealed by W. R. Ulbert, police analyst of the allied governments.

On the government side, around 30 soldiers were killed and 52 wounded during skirmishes with NPA rebels, MNLF, and the pirates in that area.

The number of civilians killed by the rebels were placed at 69; wounded in the crossfires, 24; missing, 15; kidnaped, 18; and raped, 8.

He also found that the drunken and the mentally-sicked soldiers and policemen have been abusing civilians in the provinces and in Metro Manila. Their victims throughout the country reached over 5,000 this year alone, he said.

To avert this, he recommended to AFP Chief of Staff Lt. Gen. Fidel V. Ramos, through Brig. Gen. Pedro R. Balbanero, AFP commanding general of the military police, that the "wicked soldiers and policemen" should be ferreted out from the service immediately.

CSO: 4200/373

PHILIPPINES

DAVAO DAILY SUMMARIZES TENSIONS IN 'NICARAGDAO' BARANGAY

Davao City PEOPLE'S DAILY FORUM in English 15 Dec 84 pp 1, 6

[Article by Leticia M. Subang]

[Text] DAVAO CITY--Agdao, a community located several blocks away from Davao's major commercial center, is posing a big challenge for the military.

Agdao has all the characteristics of a typical urban community--brisk commercial activity, a bustling public market, a growing population, schools offering elementary up to college education, and a slum area. Just like Manila's Tondo, one finds the rich and the wretched of Davao in Agdao. Furthermore, Agdao is important politically--its population of 126,000 accounts for about 15% of the city's total population making Agdao the biggest barangay in Davao. It is also one of the oldest communities in the city.

UNCHECKED TERRORISM. What sets Agdao apart from the rest of the communities in Davao's urban center is the terrorism that has been left unchecked and has grown into alarming proportions.

These atrocities include periodic liquidations of members of the civilian home defense force (CHDF), presumably by the "sparrow" units of the New People's Army (NPA); frequency zoning operations conducted by military personnel without nameplates aboard vehicles with no plate numbers; sporadic strafing by CHDF men, that is, indiscriminate shooting to scare off people which often-times result in injury and even death to defenseless civilians.

The widespread rumors--which coincidentally came true--that the community would be set on fire because it has become a sanctuary for subversives have created an atmosphere of fear and apprehension in the area. In fact, most Davaoenos now refer to the place as "Nicaragdao."

DELIBERATE ACT? On December 5, a fire broke out, leaving some 117 families homeless. Although government investigators still have to determine the exact cause of the fire, many Agdao residents are convinced that it was a deliberate act to terrorize the people.

Prior to the fire, at about 12:30 in the morning of December 2, four youths, aged 14 to 18, were shot dead by unidentified gunmen in front of the barangay

chapel. The four were part of the nightwatch team organized by the residents following rumors that their community would be put to the torch.

A mother of one of the victim, who was on the scene when the shooting incident took place, recounted that the four were about to take a snack when eight masked men came in. According to the witness, one of the gunmen shouted: "Aha! Sandito pala kayong lahat." (So, everyone is here!) The women were then asked to go into the chapel while the men were brought to one side. Then the shooting started. The four, including the witness's son, died on the spot, another died later in the hospital and several others including women, were injured.

Eyewitnesses interviewed by Business Day could not identify any of the gunmen because they were wearing masks. The getaway car used, was reportedly parked in a dark spot making it impossible for them to get a good description. A brother of one victim, said however, that a white Volkswagen was spotted earlier that evening suspiciously roaming around the area.

While a ranking military official interviewed by Business Day admitted that members of the local CHDF could not be ruled out as suspects, no suspect has been arrested.

Meanwhile, Agdao barangay Captain Wilfredo Aquino took an official leave of absence starting December 6, the day after the fire broke out.

MARINES TAKE OVER. The fast deteriorating peace and order situation eventually led to the takeover by the Philippine Marines of the troubled district. Agdao residents, seem to prefer the Marines, who are now enjoying a much better image among Davao residents than either the Philippine Constabulary or the CHDF. Last month, the residents of Mandug pitched camp in front of the city's legislative building to protest the takeover by the PC or CHDF of their community.

"Agdao is a big challenge to me," said Col. Rodolfo G. Biazon, commander of the Third Marine Brigade in an interview.

Biazon and his men have been operating in this city for over a year now, but this is the first time for them to handle a critical area right inside the city proper. In the past, the areas where the Marines installed detachments, such as Mandug and Tigatto, while still part of Davao City, are actually located several kilometers away from the urban center. Agdao, it seems, is simply too close for comfort.

BIGGEST PROBLEM. It is said that the biggest problem, which Biazon would rather not talk about, is how to neutralize the much-dreaded CHDF, without stirring the hornet's nest.

Agdao residents have been complaining about untrained and abusive members of the CHDF.

A resident, for example, described one CHDF member who was shot dead by unidentified gunmen during the height of the transport strike last month, as among those whom they feared the most. Even simple jokes from children that his gun did not work would send him shooting indiscriminately just to show off, she said. Just the sight of him, she added, was enough to scare them off and seek refuge in their homes. "Though it may sound un-Christian," she said, "it is a big relief for Agdao residents that he is gone."

During a dialogue last week with city and military officials, a resident observed that military authorities take time to solve civilian killings while zoning operations cordoning of areas and conducting house-to-house searches, are immediately conducted when victims are military personnel or CHDF members.

The resident cited the zoning operation last November 29 immediately following the killing of two CHDF members.

On the other hand, when the four youths were killed by eight masked gunmen last December 1, no definite action was taken by the authorities.

AGDAO'S IMAGE. "The image of Agdao is not good," Biazon pointed out. The blame, however, cannot be placed on any one particular party--the government, civilians, traditional leaders and the subversives are all guilty since they have all used the people as their shield," Biazon added.

Zoning operations, Biazon explained, is done normally in a community seen as "uncooperative" with law enforcement agencies. "I sincerely believe that not all of the residents of Agdao are NPA sympathizers," he said. Citizens simply refuse to cooperate with the law enforcement agencies because they have lost faith in them or they are thinking of their personal safety," he noted. But so long as a community coddles lawless groups like the NPAs, it will never know peace, Biazon added.

COMPLAINTS. Agdao residents have also been complaining that the military personnel who conduct zoning operations often refuse to reveal their identities. And, in cases of arrests, it becomes difficult to follow up the cases, one resident pointed out during the dialogue. Furthermore, countless households have lost property during these zoning operations, he added.

"Huwag na nating pag-usapan 'yang mga nangyari noong araw. Huwag nating payagang manatili pa ang salit sa ating puso. Let us start anew," Biazon answered. ("Let us not talk of what happened in the past. Let us not allow hatred to remain in our hearts.")

COMPROMISE. Biazon then offered a compromise. He promised that while he and his men are in the area, no illegal arrests, and detentions, as well as zoning operations, will be conducted on condition that the people must cooperate. "We promise not to conduct zoning operations each time a crime is committed. We will allow you to help us," he said. "Together," he added, "we will find a way to relay information about suspicious elements without jeopardizing your safety." Biazon further said that he does not believe the people in Agdao do not actually know who the NPAs are. In R. Castillo St.--the scene of so many killings, zonings and snuffings--the place is often deserted everytime there is an NPA sniper, Biazon said.

On the other end, Blazon also asked the people to immediately report any abuses committed by his men. "Kayo ang aking mga mata at tenga. Help us keep our law enforcement clean," Blazon said.

The attitude of the people of Agdao was summed up by one resident during the dialogue: "We are impressed by the behavior of the Marines. They are friendly. They even take time to play with the children."

But the past continues to haunt them. "The people are fast losing their faith in the military," he said. "Military men with no nameplates should not be allowed to carry firearms. And everytime an arrest is made, the arresting officer should be willing to identify himself and his unit. We should enforce the law in accordance with the law."

Whether or not Blazon--who is noted among Davao residents for his tact and diplomacy--succeeds in his campaign against insurgency and restore faith in the government of which he is part in Agdao, remains to be seen.

CSO: 4200/373

PHILIPPINES

SURIGAO MAYOR ARRESTED ON GUN CHARGES, SUSPECTED NPA TIES

Davao City PEOPLE'S DAILY FORUM in English 15 Dec 84 pp 1, 8

[Article by Dol Onez]

[Text] A town mayor and his son were charged today for illegal possession of firearms before the regional trial court after a raid in his house yielded two armalite rifles, a PAL-jet rifle, a .45 calibre pistol and 76 rounds of ammunition.

Charged before RTC Judge Martin de Vera is Mayor Ernesto Estrella of the municipality of Bislig, Surigao del Sur and his son, Emmanuel.

The charge against the mayor and his son were filed by Capt. Nonito Serrano of the 416th PC company command in Bislig.

Earlier, Capt. Serrano was able to secure a search warrant for suspected hidden firearms in the house of the mayor.

The mayor, however, peacefully yielded all his weapons but Capt. Serrano believed that the Bislig mayor and his son only surrendered what is reportedly part of a big arms arsenal maintained by the father and son.

One of the guns surrendered, the .45 calibre pistol, was allegedly found to be the same gun used in shooting fatally former Bislig Mayor Ricaredo Castillo.

Castillo, it will be recalled, was shot dead while he was delivering a campaign speech in a public place during the last heated and concluded political campaign for assemblymen. He was then a candidate for independent assemblyman representing his province.

The killing of Castillo was readily charged as handiwork of the New People's Army. The confiscation of the .45 calibre pistol in the hands of Mayor Estrella has surfaced new evidence to the killing of Castillo.

Mayor Estrella, who was then the vice-mayor of Castillo before his fatal shooting by unknown gunmen, has asked Capt. Serrano to return the .45 calibre pistol to him for alleged sentimental reasons but Serrano had turned down the appeal.

Capt. Serrano said that he has also received intelligence informations linking the incumbent mayor to the subversive movement in the province.

The confiscation of the guns of the mayor came following a tip given by a captured dissident of the NPAs.

Bislig is the municipality where the PICOP, the only maker of paper and newsprint in the country is based.

CSO: 4200/373

PHILIPPINES

SEVEN TROOPS KILLED, WEAPONS TAKEN IN NPA AMBUSH

Manila BULLETIN TODAY in English 16 Dec 84 pp 1, 12

[Text]

ZAMBOANGA CITY — An army officer and six enlisted men were killed while one was wounded Friday morning when an army six-by-six truck was ambushed by suspected members of the New People's Army (NPA) at barangay Bagong Argon, Josefine town, Zamboanga del Sur.

A report received yesterday by Maj. Gen. Delfin Castro, Southern Command chief, said that the soldiers belonged to C Company of the 18th Infantry Battalion, 1st Army Tabak Division.

Killed were 1Lt. Romeo Balustalus, Sgt. Romeo Astrero and Cesario Andaya, Cpl. Baltasar Lapan and Hermanio Leagon, Pfc. Crispin Boquirin, and draftee Eusebio Suarez. They died on the spot.

Wounded and taken to the Aurora Emergency Hospital was Pfc. Nestor Delfin of the same army unit.

Eight M-16 rifles and a radio set were taken by the ambushers.

According to the report, the army truck came from Mahayag town on its way to Josefine where the headquarters of the C Company is located.

This is the second incident involving soldiers of the 18th Infantry

Battalion under the command of Lt. Col. Gregorio Cordero. Last Nov. 23, eight soldiers, two of them officers, were killed and two were wounded in an ambush in Mahayag, Domingag, Zamboanga del Sur. (Viz Arrevalo)

PAGADIAN CITY — A sangguniang barangay member and a policeman were liquidated by suspected members of the New People's Army (NPA) early this week in Zamboanga del Sur.

Col. Romeo Abandan, PC-INP provincial commander, identified the slain barangay councilman as Nono Neri, 38, of barrio Mabuhay, San Pablo town. He was walking home from the municipal building when three armed men gunned him down.

Neri was believed executed for his active participation in anti-dissident campaigns in his village.

The slain policeman, Pvt. Crispin Adalim, of Molave town, was reportedly serving court summons in barangay Kapalaran when four men shot him point-blank, killing him instantly. (TPR)

BACOLOD CITY (PNA) — Four unidentified

Red men shot and killed a policeman of Victoria, Negros Occidental, last Friday.

The fatality, Pat. Ador Mendula, died instantly from bullet wounds, three in the head.

Four members of a family burned to death when their house was burned by a group of NPA rebels last Friday night in the ranges of Madyaan, Aklan, it was reported to Lt. Gen. Fidel V. Ramos, AFP chief of staff and INP director-general, through Brig. Gen. Pedro R. Balhanero, AFP military police commanding general.

The victims were Lemuel del Crueto, 48, farmer, his wife, Nelia, 45, and children Rodel and Josephine, 15 and 18, respectively.

Witnesses said the rebels, numbering 12, raided their house and sprayed with bullets last Friday at 10:00 p.m. For refusing to come out and give part of their earnings to them, the rebels burned the house. (FTF)

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PHILIPPINES

EDITORIAL BLAMES ZAMBOANGA ARMY-PC WARRIORS ON TOO MANY GUNS

Manila PHILIPPINES DAILY EXPRESS in English 16 Dec 84 p 4

[Editorial: "Too Many Guns"]

[Text]

THE Dodge City-like gunbattle between scout rangers and a PC-INP detachment in Zamboanga City from 10 p.m. Thursday night to 6 a.m. Friday, deserves a thorough investigation by top military authorities.

It is incidents like this, isolated though it might be, which might be making terrorists or subversives laughing in the sidelines. And unless and until safeguards, as fool-proof as is humanly possible, are instituted, such senseless encounters just might erupt again.

As pointed out by the people of Zamboanga to top military authorities a few weeks ago, much of the problem in that once-peaceful city is the proliferation of firearms, many of them high-powered. This factor alone should be considered; somehow, people tend to do a Clint Eastwood, out to take the law into their own hands when they have the weapons that Eastwood and his ilk have.

And there is also the nefarious effects of alcohol. Men with guns should not drink, especially in the tension-filled city.

PHILIPPINES

GENERAL ECHEVERRIA HITS MEDIA REPORTAGE OF 'CIVIL DISTURBANCES'

Davao City THE MINDANAO MIRROR-BULLETIN in English 17-23 Dec 84 pp 3, 7

[Article by Rose Palacio]

[Text] (Excerpts from the speech delivered by RUC Commander Brig. Gen. Jaime C. Echeverria during the DAFEC! conference Friday Dec. 14, 1984)

I speak before you today with some pain and heaviness in my heart.

We just had gone through another civil disturbance, the so called Welga ng Bayan. Some say it was a "speaking out," a way of telegraphing the message that the people are fed up with the government. Thanks in part to private media, some were convinced it was.

For me it was a way of saying a small group of radicals can deceive and coerce people into action, blinding them against the true issues, the same people who would later realize that the methods used were more dictatorial than any form of dictatorship imaginable.

I monitored how our radio stations and local newspapers were handling the information situation and I felt sad.

When this small group put up a human barricade, I did not hear a single broadcaster or newspaper reporter who stood up to complain that it was unconstitutional, that depriving others of the right to access was stepping on other people's freedom, the very freedom this small group are purportedly fighting for.

When some so-called innocent civilian is shot dead, the radio stations easily find the culprit in the soldier under the popular brand of "salvaging." Nothing, no effort, no investigation or investigative reporting is made to find out whether it was a soldier who did it, and if he actually did it, to ask if that "innocent civilian" was, in truth, innocent or committed, dyed-in-the-wool NPA subversive terrorist.

When the NPA rebels engage our government soldiers in a gunbattle and the enemy suffers some losses, some mediamen call it a "massacre." And when some civilians are caught in the crossfire, there are ready commentators and

columnists who turn the public eye and point the accusing finger on the military as having "indiscriminately fired" at them.

Nothing is done to find out whether the civilians were forewarned but refused to listen or that the communist terrorists sought cover behind them because when they are cornered they don't place too much value on human life.

When the peace and order situation takes a turn for the worse killings are headlined every day, policemen are getting killed, there are ambushes--radio-men and newswriters are quick to demand what is the military doing: Is it allowing things to deteriorate?

He refuses to see the growing threat of communism, refuses to believe that it thrives well on sowing chaos and fear. The medianman even refuses to recognize that fear and do something about it.

It is painful to ask you this, but why is it difficult for us to accept reality and why can't we do something about public apathy if it is public apathy, or fear if it is so? Are private media practitioners underplaying the communist threat because it is dangerous to discuss it openly? Are we afraid of reprisal by the NPA, that is why we tend to downgrade the military because no such reprisal is coming? Go ahead and downgrade the military. That is exactly what the communist would like you to do. So that once the military is discredited and destroyed, who will protect our people from the final communist takeover?

When soldiers are ambushed, private media is not moved, simply treating the men as statistical factors, faceless names on the casualty list. That they were trained to kill or be killed is the classical excuse. Yet when a young man is arrested as a subversive suspect, media immediately raise a howl.

When Pinky Aquino was shot inside the Redemptorist Church, there was not a single commentator or columnist who stood up in indignation against an evil act done inside a place of worship, a house of God. Our program slots and column inches are filled with denouncements of military abuses as our soldiers were killing civilians every day.

After a full year in the region, I have come to know that ours must be some kind of a love-hate relationship. But I would like to think that relationship must be tempered with reason. Reason and enough consideration for the future of our children, our community and our country. So that if you must dwell longer on military abuses than on other issues, do so by all means, but within the bounds of reason.

You can lambast individuals in the military, but do so when you shall have full grasp of the facts. You can bring to the public attention any misdeed, anomaly or corrupt act of any military or civilian employee, but do so only when truth is on your side and make sure that you identify the exact person or persons. Otherwise, the innocents might find a cause for some legal actions.

If you find any of my soldiers guilty beyond reasonable doubt, castigate him as you will. But do not deprive yourselves of the opportunity to discover that for every erring soldier there are a hundred--even a thousand more who are disciplined, faithful and loyal to their duty as guardians of peace and national security.

I have said that I speak before you today with a heavy heart, I also speak to you with hope.

My hope is that, as a vital factor in building up public opinion, you will finally commit yourselves to a common stand in the war between democracy and communism and that stand will be reflected in your radio programs and column inches.

My hope is that the peace and order situation discussed so often in coffee shops will be transposed into media inputs you can use to generate a healthy public opinion. I am even tempted to ask if the zeal, enthusiasm and energy with which you air and print reported military abuses can also be harnessed by you in exposing and decrying NPA communist atrocities. I am sure you have enough courage to expose these atrocities.

I know that it takes some kind of an organizational policy-making process to do this and I have so much belief and confidence DAFECI can do it. And I know you can do it without hesitation or fear. Thank you.

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PHILIPPINES

BRIEFS

BIR HARASSED IN REBEL AREAS--SUBVERSIVES, particularly those from the New People's Army, have perfected their own system of taxation in some areas in Mindanao, BIR fieldmen said yesterday. The officials said a number of BIR collectors have been stopped by subversives who have set up "invisible" governments in some areas in the South. In some instances, BIR collectors have shied away from known NPA operational areas for fear that they may be harmed or liquidated by the NPA if they persist in collecting taxes, reports said. Among the areas where NPA collection activities are felt, according to BIR fieldmen are Davao and Cagayan de Oro cities, and some towns of Bukidnon and Zamboanga. Reports said retail stores and logging and mining firms in remote areas are subjected to a quota system where NPA men collect "taxes" either in cash or in kind. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 14 Dec 84 p 2]

VALENCIA REPORTS PC EXTORTION--Someone from South Cotabato wrote to inquire why businessmen are being asked to contribute to the staging of a rock concert for Sariling Sikap. The solicitations are being made in the name of the provincial PC commander. In that event, who can say no? It's like having a gun or your temple and then being asked whether or not you will give a contribution. This is tyranny at its worst. [By Teodoro F. Valencia] [Excerpt] [Manila PHILIPPINES DAILY EXPRESS in English 16 Dec 84 p 4]

MINORITIES MARCH--Members of cultural minorities from the Cordilleras, Central and Southern Luzon, and Mindanao march along E. Rodriguez Ave. in Quezon City at the start of a symposium dubbed 'Lindugo' on the problems of minorities and the urban poor. [photo caption] [Manila BULLETIN TODAY in English 13 Dec 84 p 1]

CSO: 4200/373

MILITARY AFFAIRS AND PUBLIC SECURITY

MOBILIZATION EXERCISES REQUIRE EXTENSIVE PREPARATION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Nov 84 pp 47-54

[Article by Le Huy Ngo, Chairman of the Vinh Phu Provincial People's Committee: "Army Mobilization Exercise Experience"]

[Text] Vinh Phu, a direct rear area province of Military Region 2 and the northern shield of the capital of Hanoi with fairly great potential in industry, agriculture, land and labor, is constructing an increasingly perfected industrial-agricultural-forestry economic structure with a population of 1.5 million people. Vinh Phu had the honor of being the first province to implement the Military Draft Law; for 18 consecutive years has outstandingly fulfilled its military obligations in liberating the south and protecting the north; and today is one of the provinces selected to test army mobilization exercises, establishing new units and preparing for war to protect the fatherland. Following the 1983 mobilization exercise, the mobilization exercise this year was conducted at a higher level and achieved a fairly high concentration ratio (nearly 100 percent) of all cadres, soldiers and military-use technical personnel and equipment precisely on schedule and at stipulated positions.

Exercise results have indicated that the potentials of the province in every aspect are great; if those potentials are steadily increased and thorough plans of mobilization for war to protect the fatherland are formulated, new units can be established on a large scale from the very first period of a war and significant strength can be contributed to the composite strength of the entire nation to properly strike invading troops. The exercises have provided much valuable experience in army mobilization under extremely urgent conditions.

1. First of all, it is necessary to properly evaluate the great potential of the officers, noncommissioned officers and soldiers in the reserve forces of the province.

Vinh Phu annually receives tens of thousands of its children after they have completed their mission in the army, return to the local area and join the ranks of the reserves. Quantitatively, it is easy to see that this is a large force. Qualitatively however, before test mobilizations can be conducted, there are several not truly accurate opinions concerning the evaluation of these ranks. For example, it is thought that under the present situation in which there are many difficulties in the lives of the people, because the officers, noncommissioned officers and soldiers in the reserve forces are the main support labor force of state production facilities, cooperatives and the

family, it would be difficult to mobilize a sufficient and synchronized number during an extremely urgent period of time. Actual practice has proven that in army mobilization leadership, it is necessary to clearly recognize the present difficult living conditions in order to conduct good ideological and organization work but to underrate their spirit of responsibility and combat will because of that is incorrect. Results of the recent mobilization exercise once again affirmed the extremely high patriotism of our people and the extremely strong determination to protect the fatherland of our cadres and soldiers. They have expressed the unconquerable and indelible traditions of their Vinh Phu homeland in general and the home of Hung Vuong in particular, under the leadership of our party, which strongly developed during the liberation of the nation and are continuing to develop to a new level in the construction and protection of the fatherland. A reserve source of this spirit, if it may be stated in that manner, is always a potential strength of the people and soldiers which is not easy to recognize during normal times. However, once the nation is faced with aggression, when the fatherland calls and when it is properly aroused with a firm concept and organization, the strength of this spirit will be multiplied many times into a great material strength with which the men will overcome every personal difficulty and impediment, even when faced with the current extremely difficult crop situation in the rural area and despite the negative indications, to unite into one bloc of united will and action under the leadership of the party to fulfill the noble and urgent obligation of national salvation.

In reality, not a few of the cadres and soldiers returning to the local area have negative indications and do not enthusiastically contribute toward building their native area or shoring up the collective but continue to pursue their own simple private interests. When evaluating these individuals, proper and extremely objective methods are necessary with clear differentiation between indications and nature; and of great importance is the need to strictly and subjectively examine whether the leadership of party, administrative, organizational and cooperative agencies in the local area, especially at the primary level, has been well-executing policies affecting them and if sufficient concern has been given to training and developing their capabilities or not. If the local areas and primary level units constantly consider them a valuable force at an age filled with energy and tempered during their period in the ranks of the army--a great school for training the socialist new man--and respect them, truly assist those with difficulties, bring everyone into the organization and registration of the reserve forces, and firmly manage and lead those with ability into the leadership agencies, surely the ranks of core cadres in the hamlets, villages, work sites and enterprises will steadily increase and will provide extremely abundant forces when army mobilization becomes necessary. At the same time, actual practice has shown that they are also the trusted support of the administration and the organization in the violent struggle against negativism and in strengthening the order and security of the local area.

Concern for the reserve forces must be constant and genuine, not "expressing" concern and resolving a few "material" interests only when mobilization is required; such a superficial procedure not only does not express respect and high evaluation but is actually a low evaluation which offends their self-respect

and results in limited mobilization. In the recent mobilization, some thought negatively. When the mobilization order was received, cadres in the primary level units were afraid the men would not go and issued rice subsidies before giving the mobilization order. However, the men refused the subsidies, happily departed to receive their mission and requested only that the local area regularly give concern to caring for the families of active duty as well as inactive duty troops. This was an extremely vivid and profound lesson.

2. Formulation of a mobilization plan closely coordinated with the provincial construction plan is absolutely necessary.

To mobilize, real strength is necessary; however, real strength without a thorough plan will result in mobilization with great waste and a lack of effectiveness. Therefore, we must take construction of the province's potential in every aspect as a premise and formulate a mobilization plan with different requirements in readiness to answer the army construction mission under every condition. In speaking of mobilizing and constructing a new unit for the Army, one must mention all the personnel, material and technology; all the officers, noncommissioned officers and soldiers; and all the weapons, technical equipment and rear services requirements. In building a unit of increasingly larger size, these requirements also become increasingly higher. This concerns all local areas, echelons and sectors in the province and requires the participation and implementation with strict, military like, discipline of all sectors and echelons from the managing cadres to the general personnel. A thorough, detailed and scientific plan is necessary to accomplish this.

During the past few years, Vinh Phu has formulated mobilization plans closely coordinated with the long-term and short-term construction plans of the province. The exercise this time increasingly indicated the importance of the plan; moreover, it also tested the plan, revealed the strong and weak points and on that basis, necessary points were supplemented in order to increasingly perfect the mobilization plan as well as the multifaceted construction plan of the province.

Coordination of the mobilization plan with the multifaceted construction plan of the province is first of all aimed at firmly assuring achievement of both strategic missions, unceasingly strengthening the economic and national defense potential, both to assure establishment of new units in a rapid manner with sufficient forces and high quality in order to fight and win with high efficiency; and to assure that the primary level production units, sectors and echelons of the province continue every normal activity and also increase their efficiency even under wartime conditions. This is a great problem expressing a viewpoint of coordinating the economy and national defense and national defense with the economy; and therefore, requires a thorough understanding of the viewpoint of coordinating the economy with national defense and national defense with the economy before the mobilization plan can be firmly coordinated with the multifaceted construction plan of the province. We must take precautions against and overcome occurrences of negativism, localism and unilateral emphasis on only one requirement or another. Taking precautions against and overcoming negativism and localism must be based on every echelon and sector fully understanding the requirements of the overall mission and joining in discussions and study of many projects to find those most superior in order to firm

the plan; once the plan has been approved, it becomes law. Therefore, the plan itself expresses the line and expresses a full understanding of both strategic missions and it expresses the firm coordination between the economy and the national defense and national defense and the economy. When mobilization is required, the plan is followed without dispute, both assuring accuracy and the urgent requirements.

3. New capabilities and requirements must be constantly inspected and grasped to unceasingly supplement the mobilization plan.

The situation in the local area is constantly changing in every aspect, both in the personnel as well as the material and technical aspects, and follows the increasingly stronger and rearranged economic and national defense potentials. These changes occur monthly, annually and even daily. It is necessary to grasp these changes and the new potentials and arrangements in the most complete, accurate and rapid manner.

In the personnel aspect, it is necessary first of all to firmly control those military personnel who have completed their enlistments and have returned to the local area by thoroughly receiving them, carefully guiding them into the reserve ranks and deploying them in the economic facilities and the mobilization plan. It is also necessary to continually inspect and to follow their changes on the job, at home, in standards, health, etc.

In the material and technical aspects, we must, through periodic summarization of the state plan, regasp the real power, annual industrial and agricultural output, new facilities, new capacity, new means, losses and depletions due to natural disaster, etc.

The changes mentioned above are extremely many and extremely complex. Accurate and prompt control of these changes is an extremely minute and diligent task. A system of registration, inspection, full reporting and strict compliance is necessary. Inspections must be conducted to grasp the real strength both in quantity and in quality; grasping the quantity is difficult and grasping the quality is increasingly more difficult, demanding evaluation by technical standards and most of all through actual observation. Only in this manner will the mobilization plan be accurate, avoiding a situation of noncoordination between the plan and reality such as having a roster without personnel, healthy personnel who become sick and good equipment which becomes bad but the mobilization plan remains the same. Therefore, mobilization results achieve a high or a low ratio not simply due to spirit and will but also due to an accurate or an inaccurate plan. An accurate plan is not only the foremost plan but importantly is a plan which has been regularly adjusted in accordance with the timely development of reality.

In inspecting and regrasping the real strength and supplementing the plan, it is necessary to develop the responsibility of all three echelons, the provincial, the district and the primary, with the decisive role belonging to the primary level because the personnel, material and technical aspects are all located in the primary level production unit, the village and the enterprise. The primary level unit must report accurately and promptly. All echelons must

conduct regular inspections at the primary level. In order to well-accomplish this task, it is necessary to firmly coordinate with efforts to resist negative occurrences, uphold loyalty and honesty, and overcome occurrences of fraud, deception, inferior work, report inflation or output and material concealment, etc., all leading to a situation preventing upper echelons from accurately evaluating potentials to achieve the greatest mobilization of the local area's capabilities to support protection of the fatherland. It is necessary here also to correct another erroneous viewpoint that "anywhere the pirates appear, everything will go there." The reality of such a situation is that when hostilities occur on the border, all echelons, sectors and local areas must bring out all personnel and property in readiness to support the combat. This is correct and good but only on one hand; on the other hand, it is not correct or good because such a mobilization can easily fall into an unorganized, unplanned and undeveloped situation without developing high economic effectiveness and creating great waste. If a modern war is one of the most perfect organization, every preparation must also be brought into the firmest organization without being arbitrary. Whatever is done during normal times becomes haste and effort during times of change.

4. Constant concern must be given to implementing the policies dealing with families of wounded and dead soldiers and the families of active duty and discharged military personnel as well as every policy related to national defense and education of all the people in order to uphold their responsibility for protecting the fatherland.

Army mobilization is mobilization of both manpower and material but most important of all is man; or in other words, every material item is made and managed by man; and mobilization of material property is primarily the mobilization of personnel. The most direct personnel objectives when complying with the mobilization order are the officers, noncommissioned officers and soldiers in the reserve ranks. However, whether the officers, noncommissioned officers and men comply well with the mobilization order or not depends not only on these men themselves but also on their families and relatives. This means that mobilization is a matter impacting on all people, each home and individual, and on the production, lives and feelings of all classes and age levels among the people. It is therefore necessary to educate all the people in upholding their spirit of socialist democracy and socialist ownership and in clearly understanding the intimate attachment of the life of every individual and family to the fate of the fatherland.

In conjunction with the teaching of concepts, we must also teach law, closely connect interests with obligations and especially well-execute the policies promulgated by the state dealing with those who have gone into combat and combat support, and their families and relatives. The policies themselves and their execution are of great educational significance. During the recent mobilization, the importance of this matter was confirmed once again. In contact with thousands of mobilized cadres and soldiers, we have had the opportunity to question them and through this, more clearly understand the spirit of policy implementation in the local area. The local areas and sectors have made many efforts in arranging jobs and work suiting the capabilities, trades and aspirations of the men but some locations at times have not yet given their full

attention. We have thoroughly absorbed one fact brought up by the men; that attention is only given when someone is mobilized and the same level of concern is not given to those returning. Efforts have been made in the execution of policies dealing with wounded and sick soldiers and the families of war dead, active duty and discharged soldiers but there are still deficiencies. This is the responsibility of the province, the district and primary level with the greatest responsibility falling on the administration and party committee echelon at the primary level. This is because execution of these policies is not only a material but also a spiritual problem. Under the present circumstances, material compensation for the men is meager but the spiritual aspect always must and can be abundantly created. Only with cadres at the primary level can there be conditions for satisfactorily and regularly accomplishing this task. Administrative and organizational cadres in the local area must regularly and diligently question and seek understanding of the thoughts, hopes, health and lives of the men and provide effective assistance.

Good execution of army rear area policies not only has an effect on those who have gone but also those who will leave. Those who have not yet departed observe the true conditions of those who have in order to establish their attitudes.

Good execution of these policies is aimed not only at army mobilization but also at mobilizing the masses and promoting the revolutionary movement in the local area. Actual practice has shown that the recipients of army rear area policies are great in number with not many homes not affected by these policies. Many discharged military personnel have maintained key posts and are a key labor force; if the effect of mobilization and development is good, they are the dependable force of the local area.

Execution of army rear area policies is also to educate the recipients, causing everyone to thoroughly understand and contribute to the revolutionary undertaking. For the men in the reserve ranks, emphasis must be given toward allowing all to firmly grasp the situation, regularly providing them with the necessary news announcements, promptly disseminating new military knowledge and reorganizing the armed forces of the masses (militia and self-defense forces) in order to constantly maintain a military way of life and to create conditions preventing them from being behind when recalled. All of these things have an effect of causing everyone to constantly reaffirm his responsibility and duty to the fatherland.

5. The mobilization process has the extremely concentrated supervision of the party committee echelons and administrative agencies, and develops the role of mass organizations.

Regular ideological, organizational and material preparation is an extremely important premise in mobilization; but for mobilization to produce the greatest results, when the mobilization order is issued and throughout the mobilization process, firm leadership and command are necessary. The ideological, organizational and policy tasks must be continuously well-achieved by applying many methods and by coordinating these methods with each other. From the steps of disseminating and issuing the order and urging and inspecting compliance with

the order to the achievement of basic requirements, the synchronized use of these methods is necessary. Therefore, we must guarantee the participation of many agencies and many party, administrative, military, economic, cultural and social cadres. Recent actual practice has shown that the villages with concentrated leadership and supervision, the concern of the village party committee and people's committee in directly organizing achievement, and the participation in great numbers of military cadres and those of all sectors from the cooperative cadres to the public health and education cadres and the cadres of youth, women's and children's mass organizations, such as the villages of Van Tien, Ngu Kien, Vu Di, etc., all achieve 100 percent of their goals.

To do well at the village level, it is necessary first of all to do well at the district level. The district party committee, district people's committee, district military command and cadres of all sectors and organizations in the district must thoroughly understand the mission and guide and encourage villages in well-executing the mobilization orders.

However, no matter what the level, the mobilization of many sectors and many cadres to participate in army mobilization must be coordinated with excellent organization and handling; if not, occurrences arise of top-heaviness, wasting time, jobs both with many people and those with no one, and therefore not producing the desired results. We must establish a system of agency organization engaged in mobilization work at all levels; assuring that these agencies are constantly perfected and have sufficient cadres to firmly control the mobilization plan who are trained in the knowledge and specialized trades necessary for army mobilization.

The recent mobilization exercise was in itself a total inspection of the preparation work and through that, effective training for the cadres.

6. The local military agency must receive advanced training, especially at the district level, in the necessary understanding and best methods of implementing the regulations of district level mobilization work.

Army mobilization organization is a new task, especially under the conditions of our country at the present time in which there is both peace and the need to cope with the enemy's multifaceted war of destruction with their regularly occurring encroaching military actions on the border. Our army and people are also engaged in fulfilling an international military obligation to the Lao and Kampuchean revolutions. The requirements for building the nation, stabilizing the standard of living, strengthening the national defense and preparing for combat are all very high and very urgent. Therefore, the requirements, themes and methods of implementing mobilization have many points to be studied and consistently stipulated to enable the responsible agencies and cadres to organize compliance with the mobilization orders and to firmly grasp those stipulations; if not, mobilization achievement will be askew.

A mobilization has many jobs to do by many sectors and agencies and also occurs suddenly, impacts upon the entire work program and plan being carried out in the local area, and requires readjustment of labor, time and material, rear services and technical facilities. Not strictly complying with a mobilization

order is incorrect but implementing such an order at any price, causing upheaval and leading to the stagnation of all jobs creates great waste and is also incorrect. It is therefore imperative to firmly grasp the regulations, rules and procedural steps of mobilization compliance from the steps of preparation, grasping the situation and issuing the order to the process of transmitting the order from the province to the districts and villages; stipulating the forces, times, locations, assembly, etc. The work regulations have many elements: plans, inspections, rear area policies, supervision, and achievement organization; in these elements, we must give extreme emphasis to assuring the rear area work and to political work, traditions education and the spirit of mobilization from the village to the district level. On the other hand, the financial, grain, food, equipment, etc. expenses must be calculated, planned beforehand and have clear responsibility assigned so that when any person is newly mobilized, the processes will not be confused, passive or dependent on, colliding with or overlapping each other.

Of course, every rule and system, no matter how meticulous, can only resolve the fundamental problems while in reality, there are many unplanned and unexpected problems. However, only with absolutely necessary established rules and systems which are increasingly supplemented and perfected through actual experience can a mobilization produce perfect results.

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CSO: 4209/148

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI REVIEWS PRC DIPLOMATIC ACTIVITIES in 1984

OW211201 Hanoi International Service in Mandarin 1130 GMT 19 Jan 85

[Article by station political commentator (Nguyen Tri Dung): "A Review of China's Diplomatic Activities in 1984"]

[Text] Nineteen eighty-four was the fourth year that China gradually readjusted its four modernizations program and diplomatic activities with a view to accomplishing its four modernizations and realizing its hegemonistic ambitions. With this aim in mind, in 1984 China gave priority to its activities in the United States, Japan, and other Western countries.

Developments in 1984 reflected, above all, the increasing collusion between the United States and China. Such collusion, especially in the military field, materialized with each passing day. In the first half of 1984 alone, the United States and China held two high-level meetings as Chinese Premier Zhao Ziyang visited the United States in early 1984 and U.S. President Reagan visited China in April.

Ministerial-level Chinese personnel also visited the United States one after another in 1984. Particularly noteworthy were the visits to the United States by Song Ping, minister in charge of the State Planning Commission; Chen Muhua, minister of foreign economic relations and trade; and Zhang Aiping, minister of national defense.

Many prominent American figures also visited Beijing in 1984. Most prominent among them were the visits to Beijing by a strategic observation delegation headed by Brzezinski, former adviser to the U.S. President for national security affairs; Regan, secretary of the treasury; and Lehman, secretary of the Navy.

Facts show that the exchange of visits by American and Chinese military delegations was based on a long-term plan. This plan is designed to step up efforts to carry out their strategy in the Asia-Pacific region, build a front to outflank the socialist community in the East, disrupt peace, and undermine the struggle of the democratic and progressive forces for national independence in this region. Many instances can be cited to prove this point, such as the 2-week China visit by (Johnston), a policy maker of the

U.S. Department of Defense, and the visits to China by U.S. Secretary of the Navy Lehman, Chief of Naval Operations Watkins, Marine Corps Commandant Kelley, Air Force Commander (Ao-la) [title and name as heard], and Chairman of the Joint Chiefs of Staff Vessey. China also agreed to allow two warships of the U.S. 7th Fleet enter the ports of Shanghai, Qingdao, and other places.

The past year also saw China's increased collusion with U.S. allies in the Asia-Pacific region, including in the military field. Particularly China strengthened its collusion with the ultraright militarist elements among the Japanese, Thai, and Pakistani authorities. The Chinese authorities resorted to all kinds of rash diplomatic means to accommodate the United States, Japan, Western Europe, and other countries in order to secure funds and technology for its four modernizations. Those in power in China did their utmost to make it known to the world that they love peace and desire to have a peaceful environment to achieve their four modernizations in. They even swore before heaven that China would never seek hegemony. However while being considered itself the (?NATO) of the Far East, China would at times call itself a Third World country, and at other times assert that it would not lean toward any side, not even toward the Third World. In fact, those in power in China only talk about peace and avoid mentioning war, but they have gone all out to keep the international situation tense. They have not only kept fanning the existing hot spots but created new ones. The Chinese authorities supported and encouraged the United States in deploying new guided missiles in Europe. China fanned the flames of a nibbling war along the Vietnamese-Chinese, Thai-Lao, and Thai-Cambodian borders, stepped up its war of sabotage against the three Indochinese countries, and undermined the trend of dialogue among Southeast Asian countries. All these are indisputable facts.

The Chinese authorities advertise that they hope to establish friendly relations with all countries. In fact, they have unconditionally leaned toward the United States, Japan, and other Western countries in almost all important international issues, including even in the Taiwan issue, which concerns China's national sovereignty. In their relations with the Soviet Union, the Chinese authorities have put forward three unacceptable conditions. In their relations with Vietnam and the other Indochinese countries, they have incessantly set forth ultimatum-type conditions, calling on the Indochinese countries to sacrifice their legitimate interests to serve China's ambition for expansion and hegemony in the region. The Chinese authorities have been constantly scheming to turn the tide in Cambodia. They want to force the Vietnamese volunteers to withdraw from Cambodia immediately and unconditionally and place Cambodia again under the rule of their lackey, the Pol Pot clique, or get the Vietnamese volunteers bogged down in Cambodia and thus give China an excuse for hostility and sabotage against Vietnam and for undermining peace and stability in Southeast Asia.

The developments in 1984 show the failure of the Chinese authorities's scheme. In February 1979, 600,000 Chinese troops invaded Vietnam. The invasion has made it easier for China to serve as a reliable henchman in the China-U.S.-Japan military alliance, which is opposed to Vietnam, the Soviet Union, and the Asian revolutionary and peace forces. China's vicious scheme

as failed step by step. The Pol Pot clique, a principal tool of China, has been condemned and is on the verge of destruction. The so-called tripartite Kampuchean Coalition government is facing the threat of collapse. Among the ASEAN nations, there is a tendency of ignoring the Cambodian issue. For this reason, the Chinese authorities are making every effort to rescue the reactionary tripartite Khmer government from the threat of collapse, to thwart ASEAN's tendency of freeing itself from the trammels of China and Thailand over the Cambodian issue, and to step up their landgrabbing attacks in Vietnam's border areas. The serious war acts conducted by the Chinese authorities since April 1984 in Vietnam's border areas are evidence of their landgrabbing attacks, exposing the Chinese authorities true features in wanting to undermine the revolution, peace, and security of all nations. The Chinese authorities' acts of war escalation on the Sino-Vietnamese border are incompatible with their publicized claims of building the four modernizations in peace and of peaceful coexistence with all countries. China's foreign policy in 1984 shows that its policy of hostility against the three Indochinese countries and Southeast Asia, and the Chinese authorities' basic policy, has not changed at all. Their forced tactical readjustment cannot conceal their ultimate objective of gradually becoming a superpower and fulfilling their ambition for expansion and hegemony.

CSO: 4205/15

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

SWEDISH COMMITTEE MEETING--Hanoi, 17 Jan (VNA)--The Swedish Vietnam-Laos-Kampuchea Committee at its recent annual conference in Stockholm declared its continued support for and solidarity with the three Indochinese peoples. It called on political parties in the Swedish parliament to maintain Sweden's aid to Vietnam at 1984's rate. The conference was attended by Mrs Minister Anita Gradin; Johap Peanberg, president of the committee; the Vietnamese and Lao ambassadors to Sweden; and others. [Text] [Hanoi VNA in English 1709 GMT 17 Jan 85 BK]

BURMESE MEDICAL DELEGATION--Hanoi, 19 Jan (VNA)--A delegation of the Burmese Ministry of Public Health led by Vice Minister Tun Hla Pru, paid a week-long visit ending January 17 at the invitation of the Vietnamese Ministry of Public Health. It toured several hospitals, paid floral tribute at the Ho Chi Minh Mausoleum and visited the late president's office. Minister of Public Health Dang Hoi Xuan and Minister Vo Dong Giang cordially received the delegation on separate occasions. [Text] [Hanoi VNA in English 1508 GMT 19 Jan 85 BK]

FORESTRY DELEGATION TO BURMA--Hanoi, 19 Jan (VNA)--A delegation of the Vietnamese Ministry of Forestry led by Minister Phan Xuan Dot paid a visit to Burma from January 11-18. It was warmly received by Ye Guang, minister of agriculture and forests, other leading Burmese officials. The delegation toured a number of forestry yards, nurseries, research institutes, a wood-processing factory and special sectors of Mandalay and Rangoon. [Text] [Hanoi VNA in English 1505 GMT 19 Jan 85 BK]

POLISH NATIONAL COUNCIL DELEGATION--Hanoi, 19 Jan (VNA)--A delegation of the National Council of the Polish Renaissance Patriotic Movement led by Prof Dr Josef Kukulka, vice president of the council, paid a friendship visit to Vietnam from January 8-19, at the invitation of the Vietnam Fatherland Front Central Committee. While here, the delegation paid tribute at the Ho Chi Minh Mausoleum and visited the late president's home and office. It held talks with a delegation of the Vietnam Fatherland Front Central Committee led by the president of the presidium, Huynh Tan Phat. The two sides informed each other of the general situation and the national front work of the two countries and signed documents on the strengthening of cooperation and friendship between the fatherland front and the Polish Renaissance Patriotic Movement

work with the fatherland front committees of Hanoi, Ho Chi Minh City and Vung Tao-con Dao special sector, Dong Nai Province and visited many production establishments and scenic spots. The delegation was warmly received by Le Quang Dao, secretary of the Communist Party of Vietnam Central Committee. On the afternoon of January 18, the delegation attended a get-together organized by the Fatherland Front Central Committee on the occasion of Tet, Vietnam's traditional lunar new year festival. [Text] [Hanoi VNA in English 0705 GMT 19 Jan 85 OW]

HUNGARIAN JUSTICE MINISTER--Hanoi, 19 Jan (VNA)--To Huu, Political Bureau member of the party Central Committee and vice-chairman of the Council of Ministers received here this afternoon the visiting delegation of the Hungarian Ministry of Justice led by Minister Imre Markoja. Minister of Justice Phan Hien and Hungarian Ambassador Bela Benyei were present. To Huu welcomed the delegation's visit to Vietnam aimed at exchanging juridical experience and working out a program of cooperation between the two ministries for the coming years. He (?praised) the friendship and cooperation between Vietnam and Hungary and expressed his hope for ever closer ties between the two sides in the juridical field. [Text] [Hanoi VNA in English 1506 GMT 19 Jan 85 OW]

SRV-HUNGARY JURIDICAL ACCORD--Hanoi, 18 Jan (VNA)--A delegation of the Ministry of Justice of the Hungarian People's Republic led by Minister Imre Markoja has arrived here for a friendship visit to Vietnam. It paid a tribute at the Ho Chi Minh Mausoleum and visited the late president's home and office. It held talks with a delegation of the Vietnamese Ministry of Justice led by Minister Phan Hien. The two sides exchanged experience on their works, and discussed a program of cooperation between the two ministries in the coming years. The Hungarian guests also called at the offices of the Supreme People's Court and the Supreme People's Organ of Control. This afternoon, Imre Markoja and Minister Phan Hien signed an agreement on juridical cooperation between Vietnam and Hungary. [Text] [Hanoi VNA in English 0913 GMT 19 Jan 85 OW]

SOVIET AMBASSADOR VISITS SOUTHERN PROVINCES--Hanoi, 18 Jan (VNA)--Soviet Ambassador to Vietnam B. N. Chaplin recently visited two southern Vietnam provinces to Tay Ninh and Song Be at the invitation of the local branches of the Vietnam-USSR Friendship Association and the two province's party and people's committees. He met with leaders of the two provinces, toured several economic and cultural establishments and gave talks on the Soviet Union and the Soviet-Vietnamese friendship and cooperation. [Text] [Hanoi VNA in English 0926 GMT 19 Jan 85 OW]

SRV-USSR TRANSPORT COMMISSION--Hanoi, 19 Jan (VNA)--The 14th session of the sub-section for transport cooperation under the Vietnamese-Soviet inter-governmental commission for economic, scientific and technical cooperation was held here from January 11-18. The Vietnamese side was led by Vice Minister of Communications and Transport Nguyen Dinh Doan and the Soviet side by Vice Minister of Merchant Marine B.P. Trunov. They reviewed their work in 1984 and worked out measures to promote their cooperation for 1985. [Text] [Hanoi VNA in English 1510 GMT 19 Jan 85 OW]

ITALY'S TRIAL OF BULGARIANS--Hanoi, 18 Jan (VNA)--"Italian authorities must cancel for good their trial against innocent Bulgarian citizens," says a message sent recently by Nguyen Ngoc Triu, president of the Vietnam-Bulgaria Friendship Association to his Bulgarian counterpart, Senior Lieutenant General Avguat Kabact Chief. [name as received] The message expresses the Vietnamese people's strong support for the Bulgarian party, government and people in their struggle against the Italian authorities' plan to open a trial of the Bulgarian citizens allegedly charged with taking part in the assassination attempt on Pope John Paul II in February 1981. It brings out the shortage of evidence in the so-called "Antono Case" and stressed that such a trial is part of the whole scheme of Western countries, including the CIA, aimed at sling- ing mud at and whipping up an hysteria against Bulgaria, the Soviet Union, and the socialist community as a whole, and catering for the U.S. and other NATO countries in their acceleration of the arms race. [Text] [Hanoi VNA in English 0916 GMT 19 Jan 85 OW]

USSR CELEBRATES LUNAR NEW YEAR--Hanoi, 20 Jan (VNA)--A get-together was organized of the Soviet Railway Workers' Cultural House in Moscow on January 18 by the USSR-Vietnam Friendship Society to welcome the Lunar New Year festival of the Suu New Year of the Buffalo which begins tomorrow, January 21. Present at the party were G.S. Titov, president of the executive committee of the host society, Soviet hero and cosmonaut, other cadres of the host committee and representatives of mass organizations. Vietnamese Ambassador to the Soviet Union Dinh Nho Liem, staff members of the Vietnamese Embassy, and Vietnamese cadres and students who are studying or working in Moscow attended the get-together. Speaking at the party, G.S. Titov said that Vietnam is a reliable and firm link of the socialist community and that the Vietnamese people have been making important contributions to the struggle against all the reaction- ary, imperialist and hegemonist forces. Ambassador Dinh Nho Liem, in his speech, reiterated the Vietnamese party, state and people's full support for the Soviet Union's great efforts and its important peace initiatives aimed at averting the danger of a nuclear war, stopping the arms race in the outer space as well as on our planet, maintaining peace and security for the present and future generations. [Text] [Hanoi VNA in English 1639 GMT 20 Jan 85 OW]

SRV-USSR TRANSPORTATION COOPERATION--Hanoi, 20 Jan (VNA)--The 5th session of the working team of transport construction under the Vietnam-USSR inter-govern- ment commission for economic, scientific and technical c-operation was held here from January 11-19. The two sides reviewed the implementation of the cooperation projects in the field of transport construction in 1984 and noted that the tempo of these projects has surpassed the plan. They discussed mea- sures to ensure the tempo of construction of these projects this year, espe- cially the completion of the building of the Thang Long bridge across the Red River. Agreement was reached between them on projects under construction or to be built this year or on the coming years. Minutes of the session were signed on January 19 by Bui Danh Luu, Vietnamese vice minister of communica- tions and transport, and V.M. Kozlov, Soviet vice minister of transport con- struction. [Text] [Hanoi VNA in English 1650 GMT 20 Jan 85 OW]

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HO CHI MINH MAUSOLEUM VISITORS--Hanoi, 19 Jan (VNA)--A delegation of the party Central Committee, the National Assembly, the State Council and the Council of Ministers this morning paid tribute at the Ho Chi Minh Mausoleum on the occasion of the Lunar New Year which will begin on January 21. It included Vo Chi Cong, Political Bureau member and secretary of the party CC; Van Tien Dung, Political Bureau member of the party CC and minister of national defense; Chu Huy Man, Political Bureau member of the CC and vice-president of the State Council; Do Muoi, Political Bureau member of the party CC and vice-chairman of the Council of Ministers; and other senior officials. [Text] [Hanoi VNA in English 1512 GMT 19 Jan 85 OW]

VETERAN REVOLUTIONARIES DECORATED--Hanoi, 19 Jan (VNA)--Two ceremonies have been held recently in Hanoi and Ho Chi Minh City to confer the "Order of Ho Chi Minh" on veteran revolutionaries who have rendered meritorious services to the national revolutionary cause. The decoration was handed to the recipients on both occasions by President of the State Council Truong Chinh, Political Bureau member of the Communist Party of Vietnam Central Committee. Among those present at the decorating ceremony in Hanoi were Pham Van Dong, Political Bureau member of the CPVCC and chairman of the Council of Ministers, Nguyen Huu Tho, chairman of the National Assembly, Le Thanh Nghi, vice president of the State Council, and Hoang Quoc Viet, honorary president of the Vietnam Fatherland Front Central Committee. [Text] [Hanoi VNA in English 0702 GMT 19 Jan 85 OW]

CSO: 4200/427

ECONOMIC PLANNING, TRADE AND FINANCE

VO VAN KIET ON SOUTHERN PRIVATE INDUSTRY, COMMERCE -- PART I

Hanoi NHAN DAN in Vietnamese 10 Dec 84 p 2

[Article by Vo Van Kiet: "Transformation of Private Industry and Commerce in South Vietnam--Some Practical Issues"]

[Text] To become aware of a major concept such as that of socialistically transforming the economy of the southern region of our country is, of course, no simple matter. By that, I mean that every knowledge needs to be supported by a definite amount of actual facts and that, at the same time, its degree of accuracy or inaccuracy and its level of profundity or shallowness can be measured only when it manifests itself under some concrete form. We have thus realized more clearly why Lenin said it was necessary to give the Russian private owners--farmers enough time to "think over their furrows" when they were faced with the need for agricultural cooperativization in the wake of the October Revolution.

Today when our country is about to enter the 10th year of its complete liberation and when the socioeconomic situation of unified socialist Vietnam has nearly gone through two 5-year plans, we can conclude that that "thinking period" must no longer be considered insufficient and that actual facts are more than enough; we say so in order not to defend but criticize our excessive slowness in transforming the economy, in general, and private industry and commerce, in particular, in South Vietnam--this task being one of the urgent socioeconomic objectives set forth by the Fifth National Party Congress and frequently stressed in the subsequent resolutions of the Party Central Committee.

"Transformation" is a technical term which people in many circles do not like very much. Setting aside the distorting and disparaging allegations of the enemy and opponents who hate, maliciously curse, hamper and undermine whatever is beneficial to the people and country--let us look for the real reasons for such a dislike among righteous persons including those who have been devoting their whole life to the revolution.

It is not much of a mystery. Getting to the roots of the problem, we have found out two principal causes. First, because it is a prevalent system in our country and because it has been deeply imbued with individualism and carried out separately with a tendency toward spontaneous development--whether in the agricultural, industrial or commercial field and whether it still exists in the self-sufficient sector or has reached the merchandise production development

level--small-scale production will not easily agree with all production relationship innovations, especially if these changes directly clash with the "having a free hand to grow rich" dream of small owners and persons who simplistically identify the national democratic revolution's theme with the aspiration for "free enterprise." Attention must also be paid to the fact that the natural and historic conditions of South Vietnam, especially Nam Bo, have generously backed up this "free enterprise" tendency and that the peaceful situation throughout the country in the past 10 years has promoted its expansion. This is because small owners--i.e., middle peasants having ricefields, gardens and farm implements such as mechanical plows, pumps and threshers...; small workshop or warehouse owners; owners of a few means such as mills, transportation means, building material producing installations, timber exploitation means, etc.--rely on a foundation made up of a large number of hired and free laborers and peddlers, gather together into a force with a noteworthy numerical strength and play a noticeable role in producing consumer goods and in the distribution and circulation field, thus influencing societal opinion also to a very remarkable extent. The following reality must also be acknowledged: The above-mentioned petty bourgeois viewpoint has exerted a rather deep influence among party organizations, especially at the grassroots level where party members have either come from this stratum or established relationships with it and have at least grown up within the small-scale, individual production environment. On the other hand, faced with numerous difficulties, we have not yet formulated appropriate policies toward meritorious cadres and combatants who have now retired so that a number of them have adopted the small-farmers, small-owners or individualistic lifestyle under various forms; due to their political prestige and past records, the daily attitude of these comrades has given a definite weight to public opinion.

Second--and we need not conceal this point--ever since we came to power, we have launched many stages of socioeconomic transformation but beside important and even decisive achievements, there still remains a series of shortcomings some of which have seriously damaged productivity and the productive psychology and have sometimes led to lingering consequences. These shortcomings are ultimately manifest in the failure to simultaneously reform and preserve production and to carry out transformation with the objective of strengthening production; on completion of the reform, production installations have been introduced into the state-operated system but have become stagnant in every respect; transformation has been understood to be the abolition of some part or sector whose continued existence is still temporarily necessary to the economy; transformation of old things has not been synchronized with the construction of new substitutes; transformation has been mostly formalistic, with attention being paid only to the [administrative] mechanism while taking little care of material-technical facilities and neglecting to improve them; transformation has failed to distinguish the vestiges of the former oppressive and exploitative methods from the achievement of the managerial science and even from the sphere of pure technique; transformation has been done following an existing pattern instead of being based on a study and a specific solution of each target in a given space and within a given period of time and also on a comparison of forces on the economic front during each stage and in each locality--which has led to another shortcoming; impatience; transformation has failed to grasp firmly and apply correctly and flexibly the party-state policies and regulations, and the economy has been

transformed merely by paying attention to the administrative aspect according to an excessively bureaucratic method without using the socioeconomic effect as the final yardstick.

While in charge of local administration, I myself committed some of those common shortcomings in some respect and to some extent; today we can call them infantilism or voluntarism or "zealotry" against which Lenin had once warned us.

I have mentioned only the common and prevalent shortcomings but have not yet spoken of some phenomena such as acting under the socialist label to create certain things which do not in the least smack of socialism and to turn bourgeois property into a kind of ownership which remains bourgeois in essence; moreover, parochialism and localism have induced that after undergoing transformation, a number of production installations can no longer carry out activities; worse still, people have taken advantage of transformation to collude with the bourgeoisie to commit theft....

It is true that if transformation were conducted in such a manner, no transformation at all would have been preferable and perhaps less harmful! Saying so is, of course, an angry statement by the persons concerned. The need for transformation--whether with its broad or narrow meaning--cannot be negated by the infantilisms shown during the past transformation stage.

Transformation is not a policy stemming from some vague desire but it is precisely the completely objective requirements of national construction along socialist lines that determine the necessity for transformation.

We know that imperialism--whether it was French or U.S. imperialism with its henchmen, whether it strongly smelled of feudalism as it did in Bao Dai's times or took on a semifeudal and semibourgeois character as it did under the Ngo Dinh Diem regime and whether it was imbued with alien bourgeois concepts as under Nguyen Van Thieu's rule--did not build any patrimony for an independent Vietnam, not to speak of a socialist Vietnam. The things which the former regimes--monarchical, colonialist and indigenous bourgeois, whether national or compradore--handed down to us were totally made according to the sizes, models and features designed to meet their own needs. But socialism holds that the ultimate goal of the socialist economy is to satisfy human needs. Therefore, with its level of development and its working method, the economy we took over after 30 April 1975 was far from meeting such a demand even though for 21 years under the U.S. rule, South Vietnam had started operating the capitalist economic structure.

Any comrade who believes that the baggage necessary for our advance to socialism is composed merely of the material-technical assets inherited from the former regimes would be wrong. Not so! Socialism must have an equipment commensurate with its mission--namely, the huge material-technical bases which are being and will be built by us such as the Da River and Pha Lai electric network, the Hoang Thach and Bim Son cement factories, the oil and natural gas project, the Dau Tieng reservoir, the Thang Long bridge and other small- and large-sized works throughout the country which are under construction or have been contemplated and for which plans have been drawn up and surveys conducted. To date, we have not yet created many material-technical bases for socialism because we

have lacked capital and materials but this is not a reason for saying that, in final analysis, socialism merely means making do with the existing things. In reality, over the past 10 years, we have allocated more than 100 billion dong--over 23 percent of the state budget expenditures--to invest in capital construction. Though the effectiveness of this capital investment is another question, this capital is not small at all and it demonstrates the party's determination to radically transform our national economy.

At the same time, we must not fall into another extreme--that is, underestimating the old material-technical bases in our first steps and when we are still poor. We had confiscated and nationalized all installations belonging to imperialism and its puppet administration and to the bourgeois compradores and the great bourgeoisie; the exploitation of these assets during the past 10 years has made an important contribution to the nation's life. However, a lot of industrial-commercial business installations--small in scope but large in number--still exists without being managed completely and properly; gathered together, these installations constitute a force which exercises a nonnegligible control over production and societal distribution and circulation and which forms the core of the so-called "free market" which is directly and obviously affecting the life of all strata and is even challenging our state economic structure on a day-to-day basis.

The question is to try by all means to transfer a really existent capacity from the negative and harmful aspect to the point of benefiting the national economy and people's welfare. To this end, there is no better way than "tame" the small economy, lead it in a fixed direction, rearrange it in new formations along the lines of socialist large-scale production, compel it to move forward rhythmically to the blow of a common whistle, and gradually purge it of its own toxins to enable it to effectively aid socialist industrialization. All things considered, to do so is a great undertaking in the initial steps of the transitional period--an undertaking called "transformation" by us.

If we do without transformation, this will mean that we admit that the socialist socioeconomic order emphasized in the party resolutions is merely an empty political slogan and that equity in labor performance and compensation--a preliminary achievement expected by all honest people--is merely a daydream since the former contradictory situation is still looming arrogantly over there in spite of the fact that the socialist regime established in South Vietnam is entering its 10th year.

Naturally, socialist transformation is not motivated mainly by dogmas. To everyone's knowledge, the bourgeoisie has been disarmed in Vietnam but its allies have survived and even propagated in many areas. By their intrinsic nature, the forces of small owners and small traders in cities and small peasants in the rural areas have continuously striven to emerge economically and, with their overwhelming numerical strength, are seriously controlling many economic aspects in fairly large areas. Though not chicken-hearted to the point of fearing that a beef-noodle soup seller may accumulate enough capital to become a bourgeois element, we must consider this topic within its immense scope and the question is not about a few noodle soup shops but about the whole economic formula.

If we do without transformation, one sure thing will be that during the present transition, it will never be possible for us to stabilize the market and production—that is, to stabilize the people's life—and to accumulate capital within the economic system in order to advance gradually within the framework of the national industrialization plan. Our economy is really weak but not so poor that it can neither meet the present minimum needs of the people nor accumulate any capital at all. Clearly, we have managed badly and this is true: Productivity has been too low, business activities have resulted in losses, organization and equipment have proven cumbersome, the mechanism has been sluggish, habits have become ingrained and so forth... as criticized in many party resolutions. On the other hand, the result of our production has been scattered and patchy. The gross social product has increased somewhat every year versus a population increase of more than 10 million in the past nearly 10 years but there has been a decline in the economic situation while the living conditions of a population section have worsened with each passing year.

We must unanimously recognize this unacceptable phenomenon: The result of production has vanished disastrously and strangely. One of the paths leading to this sad consequence is a hesitant and tolerant attitude which has been displayed for too long regarding the transformation of private industry and commerce, and is especially the fact that the dictatorial state has also loosely managed the market for too long.

Economic transformation must be carried out uniformly throughout its process. If we make some progress in agricultural transformation while slackening the industrial and commercial transformation, this will, from an objective point of view, create difficulties for agricultural transformation and will result in preserving the prerequisites and conditions for the decline of the peasants' collective work system in its various forms and, more disastrously, in preparing a fertile production and consumption hotbed to "fatten" traders and in pushing peasants into the control orbit of various forms of capitalist exploitation and domination. In such a case, the worker-peasant alliance can hardly be strengthened and the leading role of socialist economy in the rural areas will inevitably slip out of the socialist state's hand.

In practice, the need for transformation is a daily requirement of our country's economy. It is necessary to begin with a small-scale production and advance toward a large-scale one, to proceed from the heritage bequeathed by the former regimes and subject the economy to socialist development regulations, to shift from spontaneous development to planning and to gear private ownership of production means toward the public and collective ownership system. If, faced with this reality, we neglect transformation, show hesitation or believe that only by possessing enough and even plenty of merchandise can we transform and manage the market, then the longer the transformation is delayed, the higher the price to be paid will be and this will happen not tomorrow or the day after but right now.

In the ordinary meaning of the word, to transform is to correct and modify an existing thing to suit the new circumstances. In this respect, to suit does not imply any decorative intention but the absolute necessity of replacing an old, outmoded method by a new, appropriate one.

Our country's economy is urgently requiring us to carry out activities in an orderly manner according to law and discipline. Comprehensive transformation of the economy is designed to contribute to establishing or restoring this order, law and discipline. With regard to law and discipline under our present circumstances, there are naturally many outdated points in the common apparatus and regulations which have not yet been amended to keep pace with the present life tempo and there are also innumerable cases which need to be dealt with urgently; nevertheless, this does not mean that we have no criterion to examine and judge law and discipline. These criteria are the party resolutions and state plans and, most comprehensively, the output, quality, productivity and effectiveness obtained, the implementation of the economic accounting system, the strict adherence to thriftiness, the continuous expansion of economic activity scope and so on. Strict adherence to law and discipline in socialist socioeconomic activities must not be manifested mainly through a formalistic transformation.

We do not lack examples of formalistic transformation. A certain locality is said to have completely undergone transformation: The collectivized land area and production means have been made known, the management board elected, the office arranged and the specialized teams meticulously assigned to various tasks such as caring for seeds, leveling the ground [for construction purposes], raising domestic animals and so forth so that almost nothing was left to be desired... After that, the people concerned rubbed their hands together in self-contentment no matter how the next harvest would be.

We can cite examples by different sectors and easily see that the main effect of this type of transformation is to soothe the nerves of persons who view transformation as an "expedient"--because [, in their opinion,] there is no reason why things are not to be "transformed"! But due attention has usually not been paid to the real objective of transformation which is to raise the transformed installations to a new level of ownership, management and distribution relationships--one which must be higher than that prior to the transformation. There is an installation which has been "transformed repeatedly"--sometimes up to 10 times--just because the transformation objective has not been thoroughly understood within the party organization or has only been verbally declared thoroughly understood. Transformation has thus become a dull, empty form and the "importance of transformation" has been reiterated continuously just because people have been accustomed to say so although transformation should have been a very lively revolutionary struggle and should have involved an attractive and persuasive examination of questions which are closely related to daily life and which interest everyone. Otherwise, we will still have to take the trouble to fiddle with the two words "undergo" ["be subjected to"] ["bij"] and "enjoy" ["be given/receive"] ["dquowcj"] when dealing with objects [people] which need to be transformed. Not much importance will be attached either to "undergo" or to "enjoy" if the final effect of transformation is to keep up and develop production, to increase productivity, to derive a profit and to improve the living conditions of both the manager and laborer. Any individual can "undergo" or "enjoy" depending on how things are understood but it is absolutely necessary that the common economy and the state, collective and on-the-spot laborer "enjoy."

If carried out properly, transformation will mingle favorably and smoothly with the mainstream of the socialist construction river of which it will become a confluent and will naturally not give rise to clamorous waves and winds like any extraordinary phenomenon.

To continue to transform private industry and commerce means, right now, to reorganize the various industrial sectors and trades (including small industry and handicrafts) in order to develop productivity to the maximum, to mobilize all capacities from material-technical bases to labor sources, to make the amount of goods available ever more abundant with an ever better quality and to satisfactorily meet the consumption needs of the people. In the commercial field, it is necessary to rationally reorganize the market to turn it into a really socialist one with a civilized and courteous business method proper to the socialist behavior and with stabilized prices so as to promote the people's daily life most realistically and to thoroughly eliminate speculators and smugglers. With such a meaning, socialist transformation is obviously a program with a decisive effect which will promote the simultaneous development of other tasks and positively help establish socialist order in the distribution and circulation field as pointed out in the resolution of the Sixth Party Central Committee Plenum (Fifth Session).

If we raise this problem in the above-mentioned fashion and if transformation by itself does not mean anything terrible, then transformation will be very particular with regard to the persons responsible for it. Transformation does not mean only prohibition and abolition. When saying that an object needs be transformed, we have already admitted that it is still useful; the forbidden things do not figure on the transformation list. Who is so stupid as to transform the very installations which counterfeit goods? Naturally, the counterfeiters themselves must be reformed but they belong to another category. Nor is transformation synonymous with restriction and limitation, for, generally speaking, the aspects considered irrational will be adjusted but required to keep up their activities and carry them well—which means that transformation also involves the replenishment and strengthening of a given installations, if necessary. This should be the primary theme of each transformation plan. There is the case of an installation which, on completion of the transformation period, carried out activities regularly and achieved a turnover equal to and even higher than previously but which was found to have suffered losses after being subjected to economic accounting; the reason is that its indirect production expenditures were too heavy, that is personnel was recklessly inflated and that it had freely incurred expenses carrying out administrative formalities, receiving visitors, giving out rewards and gifts, celebrating anniversaries and other events, etc.!

Therefore, transformation is aimed at resolving not only the ownership relationships but also the management ones: In areas where transformation is being conducted, it is necessary to abolish the managerial manners of the "bosses" and "supervisors" and, at the same time, to apply a new management method without following in the wake of excessive and inappropriate bureaucracy and to prevent the already transformed installations from falling into "dire straits" as in the case of a certain state-operated installation which becomes weaker than the collective one which, in turn, becomes weaker than the individually run one; also after undergoing transformation, another installation looks deserted

and dreary with a decline in output and in product quality and variety versus a rise in manufacturing cost, a slowdown in capital rotation and a cumbersome leading apparatus....

We have seen clearly that letting the transformation of private industry and commerce in South Vietnam drift along has badly reflected on the manufactured development of this entire region and the whole country but we still have to remind each other that had transformation been discontinued for the sake of appearance, the overall situation would not have evolved to our expectations either. Either a failure to initiate transformation or a delay in launching it is really a blunder but great harm will also be done if we start transformation without understanding its objectives thoroughly and without reaping any effect. In this respect, we have already drawn a lot of practical experiences.

One of the important functions of transformation is to contribute to the formation of new distribution relationships. Of course, this question is not so simple as some people think: Transformation is conducted only to purchase and mobilize products easily. The effect of the purchasing task must first be reflected in the purchase policy while that of transformation must be production development. Nevertheless, purchase as a goal must not be detached from the meaning of transformation. In view of our present conditions, it is all the more necessary to closely associate private industry and commerce transformation with market reform and management.

To our knowledge, so far the nationwide market has fluctuated abnormally, especially concerning prices, which has led to unreasonable price differentials between various kinds of goods and between various markets and localities. Everyone knows that the most direct victims of this shocking situation are the broad masses of laborers, manual and office workers, and army--generally speaking, people with fixed salaries.

There is nobody who does not understand that our production cannot yet meet our people's needs, especially their need for consumer goods. Anyhow, the present confusion in the market neither merely nor mainly reflects the supply-demand contradiction.

We lack commodities--that is true. But to what extent do we lack commodities? This point should be clarified. Based on statistical data on South Vietnam, we do not find a very acute shortage of grain, salted fish, fish sauce, salt, meat, sugar, etc., which are commodities destined to meet the people's urgent needs. But the prices of almost all goods have manifestly risen, either gradually or suddenly, and once they have risen, they would not go down. Consumers have been given this curt explanation: Since the rice price has risen, the meat price has, in turn, risen! The reason is reversed at rice selling places: Since the meat price has risen, the rice price has also risen! And sellers have also given as a pretext the [rising] prices of cloth, western medicines and building materials...--not to mention that of gold.

Such explanatory method demonstrates the unorganized character of the market--a place which is not controlled by the state-fixed prices and whereupon human

labor performance cannot exert any decisive effect. In many respects, it is not the supply-demand interrelationships but the slackened transformation task that has created loopholes for speculators and smugglers to act as they please and for the enemy to infiltrate and sabotage the market: Commodities suddenly get scarce and then dash toward the market as if manipulated by an invisible magic hand.

Such a production-distribution-circulation cycle has been revolving after a century-old pattern and has evaded all types of control. It has pulled into itself so much laborer's brow sweat and so much state property--a legacy which, to our knowledge, has been won back after several decades of bloodshed and is still being defended with bloodshed.

It is quite obvious that making every effort to rule over the present market is the most pressing order of the day. Not only does this control have a socio-economic significance but it is also required by production, livelihood, ethics and political and social security.

We never believe that once the market has been mastered, our economy will no longer encounter difficulties. It will take more time to resolve the basic contradiction between the production sector's failure to meet daily needs and the necessity of reproduction. But mastering the market will reduce economic difficulties and create more favorable factors the first of which will be some improvement in the people's living conditions and the state's ability to take hold of products in order to regulate their distribution on the societal scale, to improve the merchandise flow and exchange between industry and agriculture and to distribute goods more rationally to various zones--thus positively influencing production, national defense and security maintenance.

The highest goal of market management is using the market to promote production and then using production to act on the market. In other words, we have to play an active role throughout the process of production, distribution, circulation and consumption.

Market management does not mean market restriction. On the contrary, once the balance of forces in the market has been changed, the market will become more abundant--naturally so according to law instead of falsely so.

To reach this target, it is necessary to proceed with the transformation of private industry and trade; first of all, the main points must be determined, gradual steps taken and a successive order applied to each category of goods such as grain, food products and staple commodities. Never before had the transformation-construction relationships to be knit as closely as they do now and this is because we want our transformation task to be effective not only through the passing of resolutions. We have "forbidden" many times--and the list [of fashion goods] is rather long. Though it is completely legitimate to forbid some method of activity, we cannot "forbid" any need of the masses of people. For example, it is correct to forbid the free and inordinate sale of western medicines but one must not mistakenly think that the sick are also forbidden to use medicines! Here is the secret reason why some profession has been revived after being forbidden so many times: The consumer has been placed in an ever

more disadvantageous position. Of course, I am speaking about goods which are considered essential to a specific society. Let us take the western medicine sector as an example. The amount of medicines produced by us is insufficient because we do not yet have enough special pharmaceuticals. From abroad, the relatives of many households have sent medicines home, which are sometimes considered to be an economic aid rather than meant for therapeutic purposes. Based on the present characteristics of our country's situation, the wisest attitude would be to encourage the sending home of medicines instead of other luxury goods, to organize their purchase at reasonable prices and to hand them over to public health organs for distribution to needful people at prices not designed to make up for the losses [incurred by the state in this deal]. But if we forbid, the amount of medicines available will decrease while the western medicine black market will spring up more profusely.

If one thing is forbidden, another must be found to replace it. This elementary principle has not always been respected. Replacement must be done under many forms and by many steps. Though monopolizing grain dealings, the state has at the same time the duty not to let anyone starve at any place in the country. Distribution through the supply network is one aspect of this task but we do not intend to discuss a reshuffle of this network at this point. At the same time, other measures must be considered to solve the case of persons who are really present in the society but do not figure on the rolls, and also their dependents. How to treat these persons who do not produce anything and whose names are not listed in household registration books... is another question but nobody should refuse to sell them rice pending the examination of their case (they will still have to eat no matter whatever the outcome of their case). Ho Chi Minh City has been successful with its Grain Dealing Corporation. This has involved a struggle on the rice market and the victory won in this field is one of the sense of responsibility for prohibition and substitution. The corporation has its own shops and agencies and is thus the most suitable model under our [present] conditions. The corporation has also reorganized the small traders who retail rice in various markets, for the society's needs do not exactly conform to what has been written down on our books and records: There are transients and people coming to visit their relatives or to take care of the sick.... These people need rice nonetheless and the state has the duty to meet their need. I will revert to the state trade topic in a subsequent chapter but I would like to take this opportunity to say something else: As a rice sales agent of the corporation, Ms Ba Thi once had to sell a can of rice to a consumer at midnight--in real life, there are times when a certain household had only enough money to buy a can of rice and needed to cook a potful of rice at midnight--such a deed was at best equivalent to a "routine" business deal proper to small traders. The Ho Chi Minh Municipal Grain Corporation has [only] 500 cadres and employees in charge of distributing rice to 2.5 million people while the Municipal Grain Service personnel is composed of 3,800 persons (with 1,000 mills) to serve [only] 1.1 million people: This has certainly given us food for thought.

Taking hold of both merchandise and currency is a hot issue with a very strong influence on production and the people's life. Taking hold of merchandise is organizing direct relationships between the state and the producer from product making to merchandise consumption and means also enabling the state to firmly

control wholesale, thereby having a force at its disposal to control retail sale. Concerning grain, foodstuffs and other agricultural products, purchasing organizations will take such measures as making advance investments and supplying fertilizers, insecticides and so on to peasants to help them step up production and sell agricultural products to the state. In this connection, there is the problem of agricultural product purchase prices including the relative rates of exchange between the agricultural product purchase prices and the industrial product sale prices which cannot be resolved in a simplistic manner. Our state has been gradually adjusting these price categories to make them increasingly rational and conformable to the actual labor productivity in our country at the present time. However, because pricing is a comprehensive question related to many socioeconomic facets, pros and cons must be weighed carefully so as to resolve it within the framework of the interrelationships between finance, currency, prices and wages; this is why it has been resolved slowly but it will certainly be resolved anyway.

In this regard, we can mention the experience drawn from Hoa Thanh District, Tay Ninh Province. This district has closely coordinated agricultural cooperativization with private industry and commerce transformation, developed agricultural, small industry and handicrafts production and simultaneously taken hold of merchandise and set up a rather wide network of marketing cooperatives to purchase agricultural products and deliver industrial goods into the peasants' hands. An outstanding feature is the fact that in Hoa Thanh District--the location of Long Hoa market which was famous throughout a region formerly subordinate to the Tay Ninh Holy See--the state has now mastered the market and the prices of staple commodities.... The success of socialism has been assessed and stabilized from the economic and cultural points of view in this area which was formerly a religious center where, under the religious cloak, certain persons had opposed and sabotaged the revolution during the two resistance wars in South Vietnam.

The grain dealing corporation in Ho Chi Minh City has been successful just because it has grasped the on-the-spot sources of grain by directly allying itself with the provinces instead of employing the long-haul traders' service and by establishing direct relationships between socialist commerce and the peasantry.

Concerning industrial and small industry and handicrafts products, purchasing organizations need to create conditions for production installations to overcome difficulties with raw materials and, through this procedure, to positively act on production and to grasp goods right at their sources instead of merely waiting for the production result and then coming in to buy goods; they must also avoid creating difficulties when ascertaining prices, making payments and applying many other formalities with an air of importance and insistence. This point has been clearly demonstrated by the recent experiences of Ho Chi Minh City which has done so mainly by taking the following measure: create sources of materials for supply to the production sector and associate right at the outset with this sector by means of economic contracts.

To do so is to reorganize the merchandise flow from the production area to the consumption place mainly by means of the socialist commercial sector: The state will take hold of wholesale without the participation of private traders and

this will further prevent speculators from competing with the state in buying and selling goods.

Merchandise control and currency control are closely correlated: It is necessary to take hold of goods in order to control currency and, conversely, only by controlling money can one grasp merchandise. If an amount of money larger than necessary is circulating in the market, it will put a strong pressure on merchandise and will be a principal cause of price fluctuations. This state of affairs has been seen clearly and even felt directly by citizens in their daily life. If not put into circulation in an organized fashion according to plan, money will most likely do odd things to the economic situation and social life.

Our people must develop their role as collective owners and join the state in drawing the merchandise and currency circulation into the organized orbit. Our people must own the merchandise sources and money right at each production installation and in each village and ward. Relying on the people, socialist commercial organizations must expand their network and, through the medium of marketing and credit cooperatives, intensify purchase and retail, meet the people's daily needs most satisfactorily and, by rendering this service, retrieve cash, rapidly rotate currency and stabilize prices.

Under our regime, the bank is not only an agency destined to diligently keep currency but must, moreover, be a really dynamic organ to deal in currency and help rotate it quickly. Naturally, toward this end, there must be an interest rate with a sufficiently attractive power with regard to depositors and every facility must be created to avoid causing inconveniences to both citizens and production and commercial units whenever they deposit or withdraw their money. The savings deposit interest rate applied in the present economic situation of our country must not automatically be a stable economy and a stable pricing system.

/Using extremely flexible and appropriate forms including those suitable for each economic region and sector in order to reduce the currency surplus in circulation is precisely a huge task designed to stabilize prices in the present situation./ [in boldface]

Because our country's economy is still based on small-scale production with a low production level and a low labor productivity versus a high manufacturing cost, the price rate is still liable to fluctuation and price stabilization is still encountering definite difficulties. Nevertheless, it is absolutely necessary to manage the prices of commodities essential to the people's life and to gradually bring them down to a rational level and it is unwise to hold that it is difficult to manage them in the present situation under the pretext that we do not yet possess a sufficient amount of merchandise, that plenty of cash is still being circulated and so on. This tendency will lead a slackening in price management and to a failure to react shrewdly to the situation, thus allowing market prices to fluctuate in an unorganized manner. /Market and price management is a task to be done most satisfactorily by any socialist state no matter whether the amount of merchandise is large or small./ [in boldface]

If the merchandise quantity is still small as in the case of our country at the present time, it is all the more necessary to strictly manage prices without any hesitation. Only by managing prices can we have goods and distribute them to meet exactly the planned consumption needs. This will involve not only a struggle against the enemy sabotage and the price hike caused by speculators and smugglers /but also a no less acute struggle right within state agencies and between various localities./ [in boldface]

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ECONOMIC PLANNING, TRADE AND FINANCE

VO VAN KIET ON SOUTHERN PRIVATE INDUSTRY, COMMERCE - PART II

Hanoi NHAN DAN in Vietnamese 11 Dec 84 p 2

[Second and last part of Vo Van Kiet article: "Transformation of Private Industry and Commerce in South Vietnam--Some Practical Issues"; first part appears in NHAN DAN issue of 10 Dec 84]

[Text] Price management is a common task of both the state and people and both sellers and buyers. Traders of all strata in the market are also responsible for price management.

Persons still allowed by the state to carry out commercial activities have the duty to sell goods exactly at fixed prices and must pay full tax to the state, constantly and strictly comply with market management regulations and--for the common benefit of the people and in their own legitimate commercial interests--expose speculators and smugglers who disrupt the market.

With regard to persons doing business without a permit, clear-cut guidelines must also be applied because of the need to administer justice to all traders. If the goods they are dealing in are still authorized, a permit must be issued to them so that they may do business according to law. If the dealing in these goods by private individuals is prohibited, their commercial activities must be suspended.

Concerning speculators and smugglers specialized in raising prices and setting a price war, very severe punishments must be meted out. This is a struggle which all strata of people are looking forward to and ready to participate in for the immediate and long-term benefit of everyone. Armed with many sly tricks, these persons have, in many instances, formed a connection with authorized traders and carried out underhand dealings with some deviant cadres and employees of certain agencies, shops and enterprises. Therefore, this struggle must be an uncompromising one.

There are also persons who are especially engaged in hand-to-hand dealings at open-air markets and who act as middlemen for black marketeers, speculators and smugglers and whose number has risen to tens of thousands in Ho Chi Minh City and surely in many other places in the country. Their commercial activities must be stopped and the sooner the open-markets are abolished, the better. Of course, it is necessary to give them jobs, to compel them to earn their living

in a legitimate manner and, if they keep on their old way, to subject them to reeducation through labor performance.

Therefore, anyone who is still carrying out commercial activities in the market has the duty to take part in market and price management.

In this respect, the management of prices in all markets plays an especially important role. In Ho Chi Minh City, there are as many as 164 markets including over 60 percent of the total number of commercial households throughout the city. The turnover of these markets exceeds 30 billion dong and money is rotated quickly everyday so that prices are very likely to fluctuate. For this reason, price management must not be dissociated from the overall management of markets and the mastery over commercial dealings in markets; this is not a "burden" as some worried comrades think but is, on the contrary, an important factor enabling the state to take hold of both merchandise and currency and to master both the market and prices. In the past, managing the various markets was concentrated only on their administrative and economic management but must now be geared vigorously toward their commercial management: Since each market can be a general business unit with both wholesale and retail trade dealing in all kinds of merchandise, in order to manage all markets, an organization must be set up to suitably manage each type of market and to really do business by controlling merchandise sources, wholesale, retail trade and prices, by dealing in measuring apparatuses and by leasing sale counters and other commercial equipments.

Recently, Ho Chi Minh City and many provinces in this region [South Vietnam] have successfully applied appropriate forms to transform private industry and commerce. These are various forms of /state capitalism/ [in boldface] during the transitional stage when the state exercises both supervision and control to simultaneously transform and employ the private economic component.

In this regard, close relationships exist between transformation and management. Transforming the private economy must neither be a path leading to pure and simple abolition nor require the transfer to the state-operated sector [quooc doanh hoas--not quooc huwux hoas, nationalization] or the collectivization of everything without exception. In practice, a rational method has come out which consists in relying on the guiding position of the state economy to use state capitalist forms which are precisely /transitional economic ones/ [in boldface] designed to gradually put the nonsocialist economic component into the organized and planned orbit to promote socialist construction. In this connection, the transformation of production relationships can be said to have basically an organizational and managerial significance. Transformation does not merely stop after establishing the new ownership relationships but is also and primarily aimed at affecting the management and distribution relationships and, through this, acting on the ownership ones. In this respect, a good and distinctive feature is the fact that the transformation process begins with a managerial action while the fundamental theme of transformation is organization and management.

During the transformation process, some parts must be eliminated while others must be transformed and employed. We are firmly determined to punish the enemy and saboteurs, speculators, smugglers, counterfeiters and illegal businessmen.

Because small traders are a laboring stratum including a number of persons who formerly sided with the revolution and actively struggled against the United States and its puppets and who are now satisfactorily fulfilling all obligations to the state, we will transform and employ them by reorganizing them and their business activities according to law, by introducing them into various merchandise dealing units or sectors or agencies or by shifting them to the production field or to rational, planned and responsible service activities. Naturally, far from being a simple procedure, the transfer of a number of small traders to the production field must be done gradually with a high sense of responsibility for their livelihood and absolutely not according to the concept that "love and integrity are to be shown only during each specific period of time."

The private commercial bourgeoisie is a class to be abolished but "abolition" here means only the elimination of a class and its business method such as speculation and exploitation.... As for those who submit to transformation, we are ready to selectively employ them under transitional economic forms by appropriate steps (such as using them as agents or specialists for the state-operated sector or commercial cooperatives...) in order to use their capital, professional skills and commercial facilities. To do so is merely to employ individuals who formerly were bourgeois traders and is by no means to use the private commercial bourgeoisie. These appropriate forms are simultaneously reformatory and managerial ones in which management is the principal measure through which these persons will perform labor while undergoing transformation so as to turn gradually into laborers in the new society. These forms must, of course, be used according to the characteristics of each merchandise or service sector and must not be applied automatically. In some merchandise sectors, all the five [economic] components are still maintained in the production process but when it comes to distribution and circulation, only the state-operated sector remains to monopolize commercial activities with the aid of the cooperative commercial sector.

Recently, many localities have used a form of cooperation in /commercial activities with profit to be shared/ [in boldface] with the private commercial sector. A cooperative commercial shop is one whose private owner possesses a fixed commercial location, property, professional and technical knowledge and managerial experience--which owner being authorized by the state to do business with and contribute capital to a state trading organization in order to continuously expand private commercial activities under the state management, guidance and patronage. Naturally, there will be no commercial cooperation with persons who have only capital and property but do not directly work at such shops, nor with those who do business without a fixed location. Experimental realities emerging from the restaurant, beverage, service, vegetable, fruit and fresh water fish sectors in Ho Chi Minh City, Tay Ninh, An Giang and Hau Giang have shown that this form of cooperation is likely to be welcomed by private commercial households and can thus possibly help speed up the socialist transformation process. The advantages of this form is that it can keep up the private commercial network already set up to meet the objective requirements of merchandise circulation and that it does not discontinue the flow of goods. Actually, doing so is gradually shifting the private commercial network from the completely private to partially socialist ownership system and advancing it to total socialism. Since the profit derived by the private individual depends on the result of the commercial activities of the jointly operated shop, it will motivate

him to continue to develop his commercial experience and to invest more capital in order to expand the shop's scope of action and will, at the same time, limit his use of capital to carry out illegal activities. By applying such forms, the state trade sector will have the conditions to manage the market, private capital and prices. The capital of private individuals will thus be brought out and used for the benefit of both socialism and the capital owners under the supervision and control of the proletarian dictatorial state. To some extent, the socialist economy has directly infiltrated and controlled the process of commercial business of private individuals, thus making it possible to redistribute the national income in a way favorable to the socialist economy. While applying these transitional economic forms, we will pay businessmen a sum of money as profit and educate and prompt them to bring into full play their capacities in terms of capital, technique, and production and business experience. This money can be considered to be a "compensation for service rendered" as Lenin said. Of course, these businessmen must understand that as members of the society, they must assume a responsibility and voluntarily join everyone in building the country for the sake of the fatherland's prosperity and strength and for a comfortable and happy life including the future of their own families and descendants. Hoa Thanh District (Tay Ninh Province) has provided valuable experiences in educating and motivating producers and industrial businessmen and traders to voluntarily share their capital with the state. Naturally, this requires tenacious efforts to persuade and educate by explaining the actual facts of life and by implementing attractive policies and systems.

Through such transitional economic forms, will the income derived for the state budget increase or decrease? This question is worrying a number of financial cadres. What we have done have shown clearly that the income sources have been modified and that the amount of tax levied on individual units and private citizens has decreased as compared with the past (or has possibly increased in some areas because the turnovers formerly declared by private households were lower than they really were) but that, in general, the state will collect an additional amount from many items and its income will increase substantially in comparison with the past.

As said above, to use transitional economic forms is to apply specific socialist economic laws during the transitional period; to perfect these forms, it is necessary to conduct a research including an investigation into the profit distribution problem to achieve harmony among the interests of the state, collective, units, manual and office workers, and private individuals participating in cooperative business ventures.

It must be affirmed that, as consumers, the masses have the right to request that production, distribution and circulation meet their legitimate demands. It is not possible to let the consumers suffer any more loss such as the fact that a box of matches they buy for their own use is only half-full and that no sooner has a bicycle been taken out of a shop than it shows a warped wheel rim, a cracked frame section or a loose pedal.... It is all the more impossible to bear such losses when all these infringements of the consumers' right are part of the plan fulfillment by production installations which are nonetheless glorified, commended and rewarded.

Moreover, the masses cannot help expressing their indignation at the failure of the distribution and circulation sector to fulfill its function: Staple commodities are not supplied in the specified quantities and on schedule, prices are raised at will, weighing and measurements are inaccurate and salesclerks think they have the power to bestow goods rather than have only the duty to hand them to consumers in a friendly and polite manner--not out of savoir faire but because that is their duty and conforms to ethical principles.

In this respect, developing the people's right to collective ownership is providing all means for the consumers to raise their voice which must be heard by the agencies concerned and must prompt them to correct their shortcomings or, in case they cannot yet make any amendment, to give clear explanations.

On their part, consumers must also assume some responsibilities. For them, the most responsible attitude is to understand the present situation of the country, to be aware of the common difficulties and hence to determine the level of their consumption demand in proportion to the national economy's ability to meet it. A citizen's level of political awareness and cultural knowledge must be reflected immediately in his way of consuming goods and carrying out specific activities everyday with a patriotic sentiment. A consumer who compares the quality of domestic goods to that of foreign merchandise will be completely wrong even though he is quite right to compare the quality of a [domestically] manufactured product to the standard to be reached within the present economic capabilities. It is in this spirit that I have just mentioned the case of matches and bicycles. The wish for good quality merchandise--and even for some products whose quality may equal or excel that of foreign goods--is very legitimate but will become unreasonable if it ignores our real situation and if the demand is not aimed at improving the quality of domestic goods but stems from a predilection and the habit of using foreign goods as standards.

How can a self-respecting person tolerate the foreign cigarettes' infiltration at the present time? This example alone suffices for us to measure the sense of responsibility of consumers who have imperceptibly encouraged the exportation of gold in exchange for [foreign] cigarettes and stimulated smuggling and many other negative activities.

Let me say also some words about the situation in restaurants and beverage shops. There is perhaps nothing to discuss about the need to eat and drink and about the possibility for the state to grasp more cash through the medium of restaurants and beverage shops. But if we disagree with the policy of certain localities which have forbidden or limited the opening of restaurants and beverage shops to such an extent that the remainder is no longer enough to meet the requirements, that famous local main dishes have vanished and that relatively convenient and hygienic restaurants have turned into slovenly "clandestine" peddlers..., then we will also disapprove the sight of people eating and drinking in disorder everywhere and at all times as in some other localities. Public eateries meet a need and are, at the same time, a manifestation of our culture; if kept within a reasonable limit, they will be meaningful in serving the laboring people and providing subsistence but if expanded extravagantly, they will offer a disgraceful sight and may even become harmful.

The consumers' effect on the transformation of private industry and commerce is one side of the picture; the other must be represented by the state commercial sector.

Everyone knows that the greatest objective difficulty for the state commercial sector is the shortage of goods and the slow improvement in the salespersons' wage system. Because this problem cannot be thoroughly discussed in this article, I will confine myself to some aspects most closely related to the present transformation task.

Anyhow, the [state] commercial sector's sluggishness cannot be blamed entirely on production (merchandise shortage) and the (wage) policy while making light of its own shortcomings although in the past few years and quite recently, a number of its units have tried to step up their activities so that the society's needs have been met at a higher rate than previously. The brilliant examples set by Department Store No 2 in Ho Chi Minh City, by Hao Duoc Marketing Cooperative in Tay Ninh Province and by the Consumer Cooperative in the Third Ward, Third Precinct, Ho Chi Minh City have clearly demonstrated what needs and can be done and that these units are really trustworthy housekeepers of the people while deriving some profit from their business activities. Generally speaking, however, the [state] commercial sector has not yet developed any new vitality, is still heavily hampered by inappropriate and outmoded bureaucratic formalities and has failed to effect a major change in the servicing attitude of a number of its salesclerks.

Let us come to grips with a question which has been raised for a long time: How is it that the consumers prefer private traders to state shops even when having to sustain some loss due to [the higher] prices [charged by these traders]?

Willy nilly, the state commercial sector must accept a competition with other forms of commercial activity perhaps for a long time to come: cooperatives, commercial cooperatives and even individual retailers of certain commodities. This competition must begin with the servicing attitude [of the state trade personnel]--service with its exact meaning and not as proclaimed by slogans stuck on sale counters--and also by trying by all means to create all conveniences possible for the consumers. Why are state shops always open during the administrative working hours which are the time when laborers are busy working in factories and public agencies? Despite the consumers' complaint about these irrational hours, it is unlikely that any change will be brought about! While something [irrational] is waiting for the promulgation of overall regulations by the Council of Ministers, many others may be decided by the ministry or locality concerned. It is regrettable that the spirit of the Sixth Resolution of the Party Central Committee has been instilled too slowly in our managerial task.

We can say that the effect of private industry and commerce transformation will depend in a large measure on the state commercial sector's dynamism because if we restrict private traders without replacing them by state trade, transformation can hardly be successful.

In addition to the chronic sluggishness just mentioned, the state commercial sector has recently gone to another extreme by committing the following error: It has intensified its activities with the objective of making a profit--especially through price differentials--rather than serving the consumers. This method is either unwholesome or is intended to increase the state budget income to the consumers' detriment or is related to rewards....

So far I have tried to present the practical issues arising from the private industry and commerce transformation which is being conducted in South Vietnam.

It is not me but the actual situation which has shown how normally transformation can be introduced into daily life. Thus, transformation has nothing similar to an "ogre"--or a "bugagoo" in the North Vietnamese dialect--because it does not threaten anyone and because it will prove to be a necessary friend if we adopt a guideline designed to build an economy beneficial to everyone and the country....

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TRANSPORTATION AND COMMUNICATIONS

RIVER TRANSPORT SECTOR ENDEAVORS TO FULFILL 1984 PLAN

Hanoi GIAO THONG VAN TAI in Vietnamese 15 Nov 84 p 1

[Editorial: "River Transportation Sector Develops Its Dynamism in Advancing to the Victorious Fulfillment of the 1984 Plan"]

[Text] As is true in the other transportation sectors, due to difficulties regarding cargo, although progress was made in fulfilling the plan during the past 9 months the river transportation sector still has met the requirements. In comparison to the annual struggle goals set by the Ministry, 24 percent of the annual plan remains to be fulfilled in November and December. The entire river transportation sector is determined to surpass the 1984 plan and satisfy the requirement of loading more than 8,000 tons of coal a day in the mining area and to fulfill the plan to transport cargo from the ports of Hai Phong and Saigon, and especially the plans to transport grain to Hanoi and the border area and the plan to transport Hoang Thach cement to ocean-going ships.

Preparations for the fourth quarter have been carried out meticulously since the end of the second quarter and the beginning of the third quarter, with more transportation facilities and cargo-handling equipment than during past months. A transportation battlefield position has been created, is being effectively implemented in October and November, and is being gradually perfected in order to highly develop transportation capabilities. The Pha Lai and Ninh Binh ports are capable of handling about 2,500 tons of cargo at the locations. The Viet Tri port is capable of handling more than 1,000 tons. The port of Hanoi can handle more than 800 tons of bagged goods and 1,200 tons of coal. That has enabled the transportation sectors of the central forces to mobilize between 8,000 and 9,000 tons of facilities a day to transport coal and 1,200 tons of facilities to transport imports from the seaports. The River Transportation Department and the corporations and enterprises have created a significant volume of two-way cargo at some important locations in order to increase transportation productivity and take the initiative in coping with the instability of some principal goods. At present the barges of Corporation 1 which take coal from the mines to Viet Tri and Hoa Binh can take sand and phosphate fertilizer back to Chem and Thai Binh. When there is much coal at the mines and facilities must have a short turn-around time, the barges bringing back sand from Vinh Phu will unload at Chem and then go down the Duong River to the mines. When there is little coal, sand will be taken all the way to Hai Phong for the construction sites and only then return to the mines to load coal. The barges taking salt from Ha Nam Ninh to Hoa Binh and Tuyen Quang

and taking rock from Ninh Binh to Hanoi for the Thang Long Bridge project may take Viet Tri phosphate fertilizer to Thai Binh and take phospherite, which is awaiting shipment at the port of Hanoi, to the phosphate fertilizer plant in Ninh Binh.

The Cuu Long Enterprise Combine has nearly completed its annual plan. Because additional fuel could not be supplied the enterprise had to obtain additional fuel from its customers in order to increase output.

The management communications network has been considerably strengthened and further expanded in order to promptly serve regulation by the Department, the corporations, and the port of each barge group, so that they can attain higher productivity by monitoring and supervising transportation and cargo handling. It may be affirmed that the above-mentioned transportation battle deployment was clearly manifested in the fulfillment of the plan for October, during which an average of 9,700 tons per day was attained. There are now conditions for attaining an average of 11,500 tons per day in November and 12,500 tons per day in December 1984.

The prospects for fulfilling the 1984 plan of the river transportation sector are bright if it is not held back by a shortage of fuel and by the fact that some rivers, especially the Kinh Thay and Duong rivers, are often dry in December and are not dredged according to plan. But with strong determination, with dynamism and creativity being brought into play in the spirit of Resolution 6 of the Party Central Committee, and with the close guidance of the Ministry and the assistance of the sectors, although much remains to be done in last 2 months of the 1984 plan of the river transportation sector, it is certain that the plan will be fulfilled and good prospects will be created for fulfilling the 1985 plan.

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TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION REVIEWED DURING WEEK 3-9 NOVEMBER 1984

Hanoi GIAO THONG VAN TAI in Vietnamese 15 Nov 84 p 2

[Column: "Transportation Last Week (3 to 9 November 1984)"]

[Text] The sector attained a good transportation volume: the volume of cargo transported amounted to 98.34 percent, and the number of passengers transported amounted to 94.71 percent, of the average daily plan.

Railroad: The volume of cargo transported amounted to 88.8 percent and was 107 tons/day less than during the previous week. A number of railroad cars are held up at the cargo handling depots because of poor-quality coal. Good cargo-handling locations are the Bim Son cement mill, which attained 130 percent of the average daily plan, the Mao Khe coal loading facility, and the Zone 4 wood loading facility.

River transportation: The average daily volume attained 86.15 percent of the plan but was 540 tons per day below the previous week. Shipments from the coal mines amounted to 83.1 percent of the plan and shipments from Hai Phong and Quang Ninh attained 87.2 percent of the plan. At the beginning of the week there were fewer rice shipments and the coal mines gave priority to loading ocean-going ships, so the volume of coal loaded by the river transportation sector declined.

Maritime transportation: the average daily volume attained 102 percent of the November plan. Sufficient ships were not provided for some principal goods transported on the north-south route -- such as coal, cement, and phosphate fertilizer -- and cargo handling was slow.

Motor vehicle transportation: The average daily volume attained 102 percent of the plan but was 1,040 tons per day less than the previous week. Because cargo was scarce and unstable, some places fell short of the plan. For example, the plans to ship rice to the border area and haul Bim Son cement fell short.

Missions for the coming week:

-- The railroad sector must use the dump cars to haul coal from Mao Khe and Pha Lai and send Zone 4 salt-hauling cars to the border area and Vinh Phu.

-- The motor vehicle, railroad, and river transportation sectors must concentrate their facilities on hauling domestic rice to Hanoi and the border area. The motor vehicle sector must deploy transportation facilities to transport tea in Ha Tuyen and Vinh Phu to ensure exports.

-- Maritime transportation must pay attention to providing ships to transport such cargo as coal, cement, and phossphate fertilizer to Zone 5 and B2, and to transport Da Nang gypsum to Hai Phong and Saigon.

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TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION REVIEWED DURING WEEK 12-16 NOVEMBER 1984

Hanoi GIAO THONG VAN TAI in Vietnamese 22 Nov 84 p 2

[article: "Transportation Last Week (10 to 16 November 1984)"]

[Text] The volume of cargo transported by the sector was 88.34 percent of the average daily plan and was 45.44 percent of the November plan. Passenger transportation amounted to 79.26 percent of the average daily plan and 45.24 percent of the November plan.

Railroad transportation: the volume of cargo was 83.6 percent of the average daily plan and 5.2 percent less than during the previous week. Transshipped cargo amounted to 108.5 percent of the average daily plan, 18 percent more than the previous week, and 53.1 percent of the November plan. Passenger transportation amounted to 80.5 percent of the average daily plan and 47.4 percent of the November plan.

Motor vehicle transportation: Cargo transportation attained 84.86 percent of the average daily plan, a decline of 17 percent in comparison to the previous week. A number of principal routes fell short of the plan.

River transportation: Cargo transportation attained 78.1 percent of the average daily plan and coal loaded at mines attained only 80 percent of the average daily plan. The volume of cargo handled at the river ports attained 100 percent of the average daily norm.

Maritime transportation: the volume of cargo transported amounted to 91.18 percent of the plan but in comparison to the previous week fell 10 percent cargo handled at seaports surpassed by 33 percent. The ports of Hai Phong, Saigon, and Quang Ninh surpassed their plans.

Mission for the coming week:

In order to endeavor to fulfill the 1984 plan the entire sector must mobilize all capabilities and facilities and cooperate closely with the customers to increase the volume of transportation and cargo handling on the principal routes: moving cargo from Hai Phong and Quang Ninh; transporting coal, especially coal for generating electricity; moving cement from the mills and transporting materials for cement production; promptly transporting goods for Hanoi and the border area; and increasing the volume of north-south transportation.

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